Mobylife Holding A/S

Sydmarken 32F, 2860 Søborg, Denmark

Financial Statements
1 January - 31 December 2015

CVR-nr. 35 25 45 52

The Financial Statements has been presented and adopted at the Annual General Meeting of the Company on 10/13 2016

Mads Middelboe
Chairman

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Directors' and Management's Statement on the Financial Statements

Today the Board of Directors and Executive Management have discussed and approved the financial statements of Mobylife Holding A/S for the financial year 1 January to 31 December 2015.

The consolidated financial statements and the parent company financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's financial position at 31 December 2015 and of the results of the Group's and the parent company's operations and cash flows for the financial year 1 January to 31 December 2015.

In our opinion, the Management's review includes a true and fair review about the development in the Group's and the parent company's operations and financial matters, the results for the year and the parent company's financial position, and the position as a whole for the entities included in the consolidated financial statements, as well as a review of the more significant risks and uncertainties faced by the Group and the parent company.

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

Søborg, 10 March 2016

Executive Management

Jakob Holmen Kraglund
CEO

Board of Directors

Mads Mathias Middelboe
Chairman

Vilhelm Eigil Hahn-Petersen

Jacob Christian Nielsen Thygesen

Peter Ryttergaard

Independent Auditor's Report

To the shareholders of Mobylife Holding A/S

Report on Consolidated Financial Statements and Parent Company Financial Statements
We have audited the consolidated financial statements and the parent company financial statements of Mobylife Holding A/S for the financial year 1 January to 31 December 2015 pages 1-59, which comprises Income Statements, Statement of Other Comprehensive Income, Statements of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and Notes, including summary of significant accounting policies, for the Group as well as for the parent company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Management's Responsibility for the Consolidated Financial Statements and the Parent Company Financial Statements
Management is responsible for the preparation of the Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements and parent company 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 Consolidated Financial Statements and the Parent Company 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 whether the Consolidated Financial Statements and the Parent Company Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements and the Parent Company Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements and the Parent Company 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 the Consolidated Financial Statements and the Parent Company 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 Consolidated Financial Statements and the Parent Company Financial Statements.

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

The audit has not resulted in any qualification.

Opinion
In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2015 and of the results of the Group's and Parent Company's operations and cash flows for the financial year 1 January to 31 December 2015 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Independent Auditor's Report

Statement on Management's review
We have read the Management's review pages 6-15 in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit performed of the consolidated financial statements and the parent company financial statements. On this basis, in our opinion, the information provided in the Management's review is in accordance with the consolidated financial statements.

Copenhagen, 10 March 2016

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Cvr. nr. 33 77 12 31

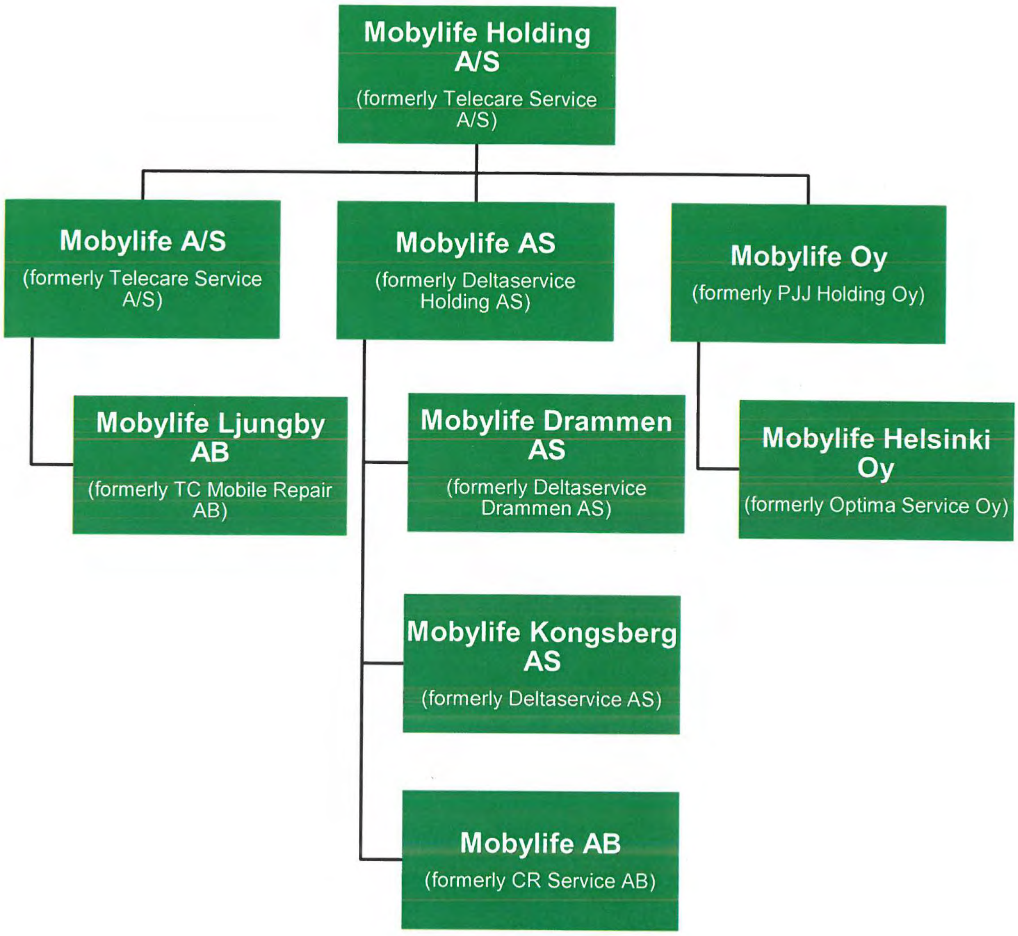
Torben Jensen
State Authorized Public Accountant

Simon Høgenhav
State Authorized Public Accountant

Company Information

The Company	Mobylife Holding A/S Sydmarken 32F, 2 DK–2860 Søborg Telephone: +45 7020 7160 CVR No: 35 25 45 52 Financial period: 1 January - 31 December Municipality of reg. office: Gladsaxe
Board of Directors	Mads Mathias Middelboe, Chairman Vilhelm Eigil Hahn-Petersen Jacob Christian Nielsen Thygesen Peter Ryttergaard
Executive Management	Jakob Holmen Kraglund
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup Cvr nr. 33 77 12 31

Group Chart



Mobylife Holding A/S
(formerly Telecare Service A/S)
Mobylife A/S
(formerly Telecare Service A/S)
Mobylife AS
(formerly Deltaservice Holding AS)
Mobylife Oy
(formerly PJJ Holding Oy)
Mobylife Ljungby AB
(formerly TC Mobile Repair AB)
Mobylife Drammen AS
(formerly Deltaservice Drammen AS)
Mobylife Helsinki Oy
(formerly Optima Service Oy)
Mobylife Kongsberg AS
(formerly Deltaservice AS)
Mobylife AB
(formerly CR Service AB)

Management's review

The private equity fund CataCap indirectly has a significant stake of Mobylife Group, due to CataCap via CataCap I K/S. CataCap I K/S owns 83.3 % of the parent company Mobylife Holding A/S ("MLH"), including ownership of Mobylife DM Aps.

Being a member of Danish Venture Capital and Private Equity Association ("DVCA"), CataCap is subject to comply with the guidelines issued by DVCA available at DVCA's website www.dvca.dk. These guidelines released in June 2008, with subsequent modifications, recommend extended coverage of a number of factors in its annual report, including corporate governance, financial risks, employee relations and strategy.

As a private equity portfolio company MLH must either follow these recommendations or explain why the recommendations in whole or in part, are not followed.

Main activity

The main business of the Group is to carry out the repair and service of repair and service on mobile devices products and thereby also related products in Denmark, Sweden, Norway and Finland.

MLH has operational activities across the subsidiaries Mobylife A/S ("MLDK"), Mobylife AS ("MLNO") and Mobylife Oy ("MLFI"), which together have production sites in the four Nordic countries.

MLDK (and MLH) is headquartered in Søborg (DK) and with the main production in Esbjerg (DK), and an associated subsidiary Mobylife Ljungby AB with production in Ljungby (SE).

MLNO is headquartered in Kongsberg (NO). The Norwegian productions are taking place in both Kongsberg (Mobylife AS + Mobylife Kongsberg AS) and Drammen (Mobylife Drammen AS), whereas the Swedish production is facilitated in Åkarp in Sweden (Mobylife AB).

MLFI is headquartered in Helsinki, where also the production takes place (Mobylife Helsinki Oy).

Strategy

In 2015, MLH has focused on establishing a Nordic market presence following the acquisitions May 2014 of MLNO (Deltaservice AS) and MLFI (Optima Service Oy), to become the largest mobile device repair group in the Nordic region.

The main strategic priorities following the acquisitions have been:

1. Strengthening relationships with customers
2. Operational efficiency
3. Post-merger integration
4. Optimisation of capital resources

MLH has focused on maintaining and strengthening customer relations across the subsidiaries. The objective has been to ensure alignment of expectations by having a common understanding of the platform for the provided services and the new opportunities it offers in the future. MLH has a strategy that we will continue to develop together with our customers to ensure the desired customer experience for end users.

As a natural part of improving the customer experience, MLH has focused on optimizing the operations, in order to achieve shorter repair times, combined with a more optimal cost structure. This focus has resulted in several activities including identification of best practices in both production flow and supplier agreements.

MLH has during 2015 conducted an IT Transformation harmonizing the IT platform supporting the repair business, in order to achieve improved customer experience and improved efficiency in the repair operations. This has resulted in a common IT platform across Denmark, Sweden and Norway, and is seen as an important step in the further development of services within Mobylife Group.

During 2015 MLH has completed bond terms renegotiations, capital injection through new equity, and a bond buy-back program impacting NIBD positively. MLH will continue to monitor the development in capital resources ensuring the financial readiness.

Management's review

The strategy is to maintain and enhance the position as a leader in the repair and servicing of telecom products in the Nordic region. The strategy is updated for 2016, and the company has chosen to continue its focus areas from 2015, though where Post-merger integration is replaced by new business development.

Mobylife Group strategic focus areas 2016:

1. Strengthening relationships with customers
2. Operational efficiency
3. New business development
4. Optimisation of capital resources

Development in activities and financial position

MLH was established 6 June 2013, and this is the Group's third annual report. However, the subsidiaries are established companies that have been operating for a number of years.

In 2014 MLH completed two acquisitions creating the largest Nordic mobile device repair organization. During 2015 MLH has maintained the group structure, and completed a re-branding introducing and implementing the Mobylife as common name of the entities within the group.

Revenue in 2015 increased significantly compared to 2014, primarily driven by the full year impact from the two acquired companies Mobylife Holding AS Norway (formerly Delta) and Mobylife OY (formerly Optima), in addition to increased spare parts trading.

The completed bond re-negotiations have resulted in extraordinary non-recurring costs related to legal services.

The amended terms and conditions have been implemented, including DKK 50 million in new equity, a bond buy-back program and listing of the bond on NASDAQ Stockholm. The initial bond debt of SEK 350 million has during 2015 been reduced to SEK 282 million in nominal outstanding amount.

The amended terms and conditions include an update to the financial covenant related to the bond. There is one covenant attached to the bond, NIBD / EBITDA, which has the following maximum targets:

From 31 December 2015: 7.00
From 31 December 2016: 4.25
From 31 December 2017: 3.25

The covenant is tested quarterly, based upon rolling 12 months results. A detailed description of this covenant together with the amended terms and conditions of the bond is to be found on our website under the corporate section.

Mobylife Holding A/S has in 2014 identified significant errors in the deferred revenue in former Telecare Service A/S, impacting 2014 and previous years. Mobylife Holing A/S is seeking remedies from the sellers under the warranties contained in the share purchase agreement of this transaction. The claim is handled in the Danish Institute of Arbitration, and the court dates are set for ultimo August 2016.

The reporting period includes 12 months results from all entities within the Mobylife group. Profit for the year was at DKK 14.4 million, where EBITDA before Special Items represent DKK 33.9 million.

EBITDA reflect the full year impact from the acquisition completed 2014. MLH has during first half of 2015 experienced lower repair volumes leading to excessive capacity impacting profitability negatively.

Management's review

FINANCIAL REVIEW

Follow up on previous financial outlook

The Q3 report included an outlook for 2015 with net revenue of DKK 580-605 million, EBITDA before special items of DKK 30-40 million and EBIT of DKK 15-25 million. The realized net revenue, EBITDA before special items and EBIT for 2015 are overall in line with the expectations, with Revenue above outlook and EBITDA before special items and EBIT within the expectations.

Income statement

The volume development in 2015 has been different from initial expectations. There has been a market decline in Q1-Q2, within all sites in the Group. The repair market has in Q3-Q4 recovered and met the expectations. Throughout 2015 there have been changes smaller deviations in device mixes related to launches of new device models, but it has been an overall stable brand and device mix.

Revenue

The revenue has been above expectations, driven by repair market performance as expected in Q3 and Q4 in addition to increased revenue from spare parts. The price development has been steady with various individual adjustments of both price and service, and combined with the volume development this has impacted revenue.

Gross profit

The gross profit for the Group has improved significant compared to 2014, as a result of full year impact from the acquisitions May 2014. The nominal level of gross profit is seen as satisfying and within our expectations. The margin has been reduced compared to 2014 due to changed mix between repairs and trading of spare parts.

EBITDA

The operational result, EBITDA has met the target set in Q2, and the result of 2015 is therefore seen as acceptable. 2015 has been impacted by low volumes in the first half-year, and thus impacted the result negatively. Actions have been undertaken to improve the result going forward, which is also reflected in the outlook for 2016.

Profit after TAX

The profit after tax has been impacted by operational performance, and income from adjustment of the bond debt following fair market value. The profit after TAX has decreased compared to 2014 following a stronger EBITDA performance and reduced special items in combination with a write down of a tax asset in Denmark. Net financial has declined compared to 2014, impacted by development in the fair market valuation of the bond, and a relative reduced interest payments following active debt reduction exercised through a bond buy back.

Balance sheet

Consolidated total assets amounted to DKK 503.6 million as at 31 December 2015, which was an increase of DKK 10.3 million from 31 December 2014. The main drivers of this increase are the implementation of the amended terms and conditions including new equity and bond buy-back, in addition to the increased business activity in Q4 2015 compared to 2014, and an exchange rate adjustment of goodwill.

During 2015 there have been business development activities within IT platform and development of new services, which has impacted the investment in non-current assets.

The balance sheet reflects the final purchase price allocation from the two acquisitions made May 2014.

MLH has according to the NIBD definition in the bond amended terms and conditions, long-term nominal debt related to the bond in addition to short-term interest bearing net debt from normal operations. As part of the amended terms and conditions, the development in market value of the bond are not impacting the covenant test, as the bond debt is included at nominal value. The development in exchange rates is reflected in the Net interest bearing debt of 31 December 2015.

Management's review

The shareholder loan that exists is excluded from the NIBD definition, and the covenant testing.

Following the implementation of the amended terms and conditions, equity ended at DKK 165.9 million as a result of new equity of DKK 50 million in addition to the comprehensive income for the year of DKK 22.4 million, and an exchange rate adjustment of goodwill of DKK 11.9 million.

Covenant as at 31 December 2015

The bond covenant NIBD/EBITDA result as at 31 December 2015 was 5.87, where the maximum threshold was 7.00. The covenant calculation follows the definition stated in the amended terms and conditions, which are different from the applied accounting principle. The covenant definition uses nominal value of the bond, where the applied accounting principle uses fair market value.

Outlook 2016

The management expects to retain revenue and improve earnings in 2016, through development of new business in existing markets, and improved productivity. The management expects a turnover in 2016 of DKK 610-630 million together with an EBITDA of DKK 45-55 million.

In the expectations for 2016 it is assumed that there are no changes in the regulation of the repair market, including no introduction of new taxes or duties. Such a change could lead to a change in market dynamics and the composition of the businesses offering these services.

In the expectations for 2016 it is furthermore assumed that there are no changes in the law about warranty and guarantee obligations towards end-users. Such a change could lead to a change in the supply of authorized services and repairs.

Changes in exchange rates would impact the results positively or negatively. The outlook for 2016 has been based upon the following exchange rates for 2016.

SEK/DKK = 0.8050
NOK/DKK = 0.7700
EUR/DKK = 7.4600

Revenue

The management expects increasing revenue from new value added services and an increasing pressure on revenue in the repair business in 2016.

The management expects a change of mix on brands, services and geographies in 2016, following the development in the group customer portfolio. The management has no expectations regarding significant changes in the market shares for sales of new phones.

Earnings

It is expected that there will be no increase in the direct cost per repair within the brands during 2016.

The management expects an improved EBITDA level compared to 2015. The assumptions behind these improvements are continues improvements of productivity, combined with full year impacts from activities implemented in 2015, and the result of new business development. In addition to these improvements, a reduction of special items of non-recurring nature is expected in 2016.

Covenant outlook

Compared to the covenant, the management expects to comply with the covenant in 2016, quarter by quarter.

See note 3 for a description of compliance with the financial covenant at 31 December 2016 and related uncertainty.

Management's review

Liquidity and capital resources

The company is exposed to fluctuations in currency and the general bond market. Changes in exchange rates are not included in the company's expectations for 2016. Fluctuations in these areas will be monitored continuously.

The management together with the Board of Directors regularly assess whether MLH has an adequate capital structure, by assessing the size of the company's interest-bearing debt related to the activities and earnings, and liquidity in general. The capital structure and readiness is considered to be adequate.

Ongoing litigation

MLH is part in an ongoing litigation towards the sellers of Telecare Service A/S, where MLH is seeking remedies under the SPA. The trial will take place during August 2016. There has not been incorporated a positive outcome of this litigation into the financial statements. The effect will be incorporated into the financial statements once the conclusion from The Danish Institute of Arbitration has been announced.

CORPORATE SOCIAL RESPONSIBILITY

The Board of Directors of MLH has adopted a policy of social responsibility, covering Human Rights, Environment, Health and Security,and Gender diversity.

In this section MLH has included its statutory report on CSR for the financial year 2015 cf Section 99a of the Danish Financial Statements Act ("Lovpligtig redegørelse for samfundsansvar, jf. Årsregnskabslovens § 99a) including additional information about policies, progress made during 2015 and expected activities for 2016.

Working with CSR is an integral part of the way of doing business in MLH, with a continuously focus to produce results. Working with social responsibility is also an essential part of the development of the company's brands and maintaining good relationships with its key stakeholders. During 2015 we have implemented a group wide re-cycle activity, and strengthened the relationships with the unions.

The work and focus on CSR is an essential part of protecting the company's position as customers and consumers must be confident that MLH services are performed in a safe manner in a high quality. Protecting the environment and securing enforcement of human rights also helps to ensure good working relationships with customers and suppliers, increase production efficiency and reduce non-financial risks and strengthen the company's identity and culture.

Human rights

MLH does not tolerate discrimination of its employees due to gender, race or religion. Child and forced labor is not allowed, and MLH endeavor customers and suppliers to comply with this policy.

Employees of MLH have the right freely to organize in trade unions and to strike in accordance with the laws of the countries where MLH operates. In 2015 we have welcomed more close collaboration with unions, and will continue this work into 2016.

Environment and climate

All production sites at MLH are focused on continually reducing the environmental impact of the Group's production and must at all times meet regulatory requirements and applicable laws. Most of the replaced parts on mobile phones are thus returned for recycling. The policy was adopted in 2014 and has in 2015 been implemented across the Group in order to ensure compliance.

In addition to the environment, MLH are focused on the climate, by reducing consumption of electricity, and thereby reducing CO2. During 2015 MLH has initiated a specific project covering group wide print facilities, in order to implement an optimization to the business processes and at the same time reducing CO2 and electricity consumption.

Management's review

Health and safety

MLH strives to create a safe and healthy working environment, continuously improve work processes internally and to handle all electronic equipment in a responsible, compliant way. It is our priority to ensure that our business activities have the least harmful effect on the environment and that our customers and suppliers understand and support this philosophy. In 2015 we have continued working closely with certified suppliers in order to secure that all electronic equipment is properly reused and recycled in a responsible, compliant way.

Gender diversity

In accordance with Section 99b of the Danish Financial Statements Act, MLH has disclosed its diversity policy and targets.

At MLH we want to develop a culture of cooperation involving diverse employee groups with different perspectives and areas of expertise. This will ensure a varied and inspiring approach to the challenges we encounter on a daily basis in our business.

We want to focus on creating equal opportunities for development and influence for employees and management – irrespective of gender. As group policy, we aim to select the most qualified candidates for our teams with a view to creating diversity in the Group through a qualified recruitment process, covering all levels of the organisation. During 2015 all recruitments has been evaluated accordingly to this policy.

Traditionally, we have had a disproportionate number of men in our technical departments and in management. As we believe that a culture of cooperation with diverse groups of employees will generate greater success, we will continue actively to encourage gender diversity in the Group.

It is the target for Mobylife to have at least one female member of the Board of Directors within 2019, and as at 31 December 2015 there was no female member. The Board of Directors will be searching for new members in combination with retirement of an existing member. During 2015 no board member has retired from the position.

Competition

The business practices of MLH should always be in full compliance with competition law wherever it operates.

Bribery

The employees of MLH may neither give nor receive bribes or improper payments to own or the Group's recovery. It has disciplinary consequences if employees are involved in bribery.

Employees

At the end of 2014 the total number of employees in MLH was 475 permanent employees, hereof 119 in Denmark, 222 in Sweden, 76 in Norway, and 58 in Finland.

End of 2015 the total number of employees in MLH were 417, represented by 95 in Denmark, 188 in Sweden, 78 in Norway, and 56 in Finland.

Duties of the Board, composition and organization

MLH strives to adhere to the principles of Corporate Governance e.g. by securing an ongoing dialogue with its owners and other stakeholders, reporting results on a quarterly basis, and securing an ongoing strategic development process in order to create value for its stakeholders.

The Board of Directors of the parent company MLH and its subsidiaries ensure that the Executive management complies with the objectives, strategies and procedures outlined by the Board. Information from the Executive Boards of the various companies is provided systematically at meetings and through written and oral, ongoing reporting. This reporting includes market development, the company's development and profitability and financial position.

Management's review

The Board of Directors meets according to a set schedule at least 5 times a year. There are normally held an annual strategy meeting where the Group's vision, goals and strategy are determined.

The Board of Directors of Mobylife Holding has decided to take on the audit committee tasks jointly. As a result of this, the chairman of the Board of Directors is also the chairman of the audit committee. The Board's decision to take on the audit committee tasks jointly should be viewed in light of the Company's size, transparency of reporting and clear procedures, due to which the Company's Board of Directors finds no need for a separate audit committee.

There are not set up board committees, but the Chairmanship consisting of the Chairman and the Deputy Chairman are in close and continuous dialogue with the company's management.

Stakeholders

MLH continuously seeks to develop and maintain good relations with its stakeholders, because such relations are considered to have significant and positive impact on the Group's development.

The main stakeholders are mobile communication device manufacturers, telecom operators, insurance companies, retail chains and other trading partners. It is the Group's policy to seek a written agreement basis with all close partners.

Critical accounting estimates and assumptions

See note 2.

Management's review

Board composition

Chairman, Mads Middelboe, male, 55 years old, independent board member, appointed by CataCap. Indirect owning 0.9 % of Mobylife Holding A/S. Mr. Middelboe was initially elected chairman of the board of directors in 2013, and is up for election once a year at the annual general meeting.

Mr. Middelboe is a professional board member, management consultant and former CEO of TDC Mobile with special skills in the telecom industry and group management. Mr. Middelboe is currently also chairman of the boards of directors of COMM2IG A/S, Hass & Berg A/S, Hass & Berg Holding A/S, Laki A/S, SAB Holding A/S, Mobylife A/S, Mobylife AS and Mobylife Oy, deputy chairman of the board of directors of A/S Løgstrup Steel and a member of the boards of directors of JO Informatik ApS and Wilke Markedsanalyse A/S.

Deputy Chairman Vilhelm Hahn-Petersen, male, 55 years old, non-independent board member, Partner in CataCap. Indirect owning 1.2 % of Mobylife Holding A/S. Mr. Hahn-Petersen was initially elected deputy chairman of the board of directors in 2013, and is up for election once a year at the annual general meeting.

Mr. Hahn-Petersen is currently also a partner at CataCap Management A/S. Mr. Hahn-Petersen is currently also chairman of the board of directors of Capacent People A/S, deputy chairman of the boards of directors of CC Track Holding A/S, Mobylife A/S, Mobylife AS and Mobylife Oy and a member of the boards of directors of Lyngsoe Systems Holding A/S, Lyngsoe Systems A/S, G.S.V. Holding A/S, G.S.V. Materieludlejning A/S, CC Orange Invest ApS, Myco ApS, CataCap DM ApS, CataCap Management A/S, CataCap General Partner I ApS, CataCap OP ApS, CC Explorer Invest ApS, CC Track Invest ApS, CC Orange Invest ApS, CC Tool Invest ApS and CC Tool Holding A/S.

Board-member Jacob Thygesen, male, 50 years old, non-independent board member, owns 6.2 % of Mobylife Holding A/S through his ownership of Kinondo Invest ApS. Mr. Thygesen was initially elected a member of the Board of Directors in 2013, and is up for election once a year at the annual general meeting.

Mr. Thygesen is currently also an operating partner at CataCap Management ApS, chairman of the board of directors of Alert Systems ApS and a member of the boards of directors of CataCap Management A/S , AXII Holding ApS, LP Materials ApS, Focus Flex Leasing A/S, Kinondo Invest ApS, LP 1 ApS, SAB Holding A/S, Soundboks ApS, Mobylife A/S, Wattguard International AB, Mobylife AS and Mobylife Oy. Mr. Thygesen was previously a partner in the equity fund Axcel.

Board-member Peter Ryttergaard, male, 45 years old, non-independent board member, Partner in CataCap. Indirect owning 0.4 % of Mobylife Holding A/S. Mr. Ryttergaard was initially elected a member of the Board of Directors in 2013, and is up for election once a year at the annual general meeting.

Mr. Ryttergaard is currently also a partner at CataCap Management A/S, chairman of the board of directors of G.S.V. Holding A/S, G.S.V. Materieludlejning A/S, and a member of the boards of directors of CC Explorer Invest ApS, CataCap DM ApS, CataCap OP ApS, CataCap Management A/S, Buldus Ejendomme ApS, Ryttergaard Invest A/S, CC Orange Invest ApS, Mobylife A/S, CC Track Invest ApS, CC Explorer Invest ApS, CC Tool Invest ApS, CC Tool Invest ApS, CC Tool Holding A/S, Handicap-Befordring Holding A/S, Handicap-Befordring A/S, Kjærulf Pedersen A/S, , Mobylife A/S, Mobylife AS and Mobylife Oy.

Management's review

Statutory statement on Corporate governance, "Årsregnskabsloven §107b"

MLH is following the guidelines on corporate governance issued by DVCA.

The Board assesses the risk picture management present once a year in connection with the preparation of strategy plans and budget. The risk picture is then monitored on an ongoing basis hereafter. The board annually assesses the risk of fraud, and the executive management are continuously monitoring controls hereof.

The Board has in corporation with executive management established a reporting process that includes yearly budget, quarterly outlooks and external reporting, monthly internal reporting and ongoing weekly outlook tracker, including deviation explanations. The external reporting includes income statement, balance sheet, cash flow and selected notes. The internal reporting includes a daily update on operational KPI, weekly update on group volumes, and monthly reporting on P&L, balance sheet, cash flow and liquidity.

In addition to the above, the corporate governance process furthermore includes monthly Chairmanship meetings with Executive Management.

MLH has during 2015 aligned month closing procedures within the group, in addition to strengthening controls on revenue, cost approval, wages handling. This has been supported by implementing a new Financial ERP system, including approval processes. In 2016 this will be further strengthened, by implementing a process documentation tool.

The Board has assessed the basis for implementing a Whistleblowing policy. Based upon the assessment the Board has chosen to not implement such policy.

The Board has chosen not to describe the internal control and risk management procedures beyond the above in the annual report. Selected business risks are described below in the section "Specific risks".

Specific risks

The Board and management have ongoing dialogue about important issues in the company, including the risks that are considered to affect the company significantly. Below are given the significant risks identified by the ongoing discussion at board meetings of the company.

Market risk

The company services and repairs all standard devices within mobile communication. There is a continuously introduction and marketing of new products and devices into the market, and it is important for the company that it continuously can adapt its operations to the new models.

Risk related to customers

The company's main customers are mobile manufacturers, telecom operators, retailers and insurance companies. Historically, MLH has not lost significant amount of customer claims. The continued growth has brought new groups of customers to the company which intensifies the need for credit-assessments and follow-up especially towards smaller customers.

Purchase of spare parts

MLH only uses original parts of the respective products and manufacture. Delays in deliveries from suppliers can't be counteracted by purchases from alternative suppliers. The company is therefore obliged to maintain a minimum stock of all current models.

Management's review

Financial risk

The Group has exposure to foreign exchange risk as a result of the operations in Denmark, Sweden, Norway and Finland. Foreign exchange-, interest rate-, and credit risks arise from commercial relationships and the impact on the issued bond. The company has no major purchases outside the Nordic region or EUR-zone. Billing and purchasing is done predominantly in DKK, SEK, NOK or EUR. MLH has not used financial instruments to hedge against currency fluctuations.

The net interest bearing debt, according to the definition in the amended terms and conditions, as at 31 December, 2015, amounts to DKK 199.0 million.

The claim towards the sellers of ML includes a financial risk, as the timing of the settlement of debt and the timing of receiving proceeds can be different from each other.

General

The full statutory statement is an integrated part of the Management review, and it covers the period 1 January – 31 December 2015.

It is the full statement that is covered by the independent Auditor report.

Events after the reporting period

Subsequent to the balance sheet date, no other events that could significantly affect the financial statements as of December 31, 2015 have occurred.

Consolidated key figures

	Group		
	2015	2014	2013 * (7 month)
	DKKk	DKKk	DKKk
	IFRS	IFRS	IFRS
Income Statement			
Net revenue	615.077	408.363	103.955
EBITDA before special items	33.917	23.857	-2.081
EBITDA after special items	27.555	9.464	-6.432
Earnings before interest and tax (EBIT)	20.895	5.478	-7.805
EBIT margin %	*3,4%*	*1,3%*	*-7,5%*
Other financials, net	10.068	16.180	-1.668
Profit before tax	30.963	21.658	-9.473
Profit for the year	14.407	15.666	-7.836
Balance Sheet			
Non-current assets	370.633	372.605	103.487
Investments in non-current assets	21.530	22.646	10.024
Total Assets	503.590	493.317	139.481
Equity	165.889	112.912	22.820
Net interest-bearing debt	143.944	204.845	-588
Net working capital	-1.899	8.958	-53.462
Cash Flow Statement			
Cash flow from operating activities	32.476	11.127	16.039
Cash flow from investing activities	-21.530	-276.654	-95.716
Cash flow from financing activities	11.195	345.895	21.681
Financial ratios			
Cash conversion	-23.201	48.080	-52.079
Equity ratio	33%	23%	16%
Number of repairs ('000)	1.048	1.006	533
Average number of employees	486	358	192
Number of employees at year-end	418	475	221

The key figures and financial ratios have been prepared on a consolidated basis. The financial ratios have been calculated in accordance with the recommendations of the Association of Danish Financial Analysts (2015).

* 2013 figures has been corrected following identification of significant errors in 2014

Income Statements for the Years Ended 31 December 2015 and 2014

	Notes	Group		Parent	
		2015	2014	2015	2014
		DKKk	DKKk	DKKk	DKKk
Revenue	4	**615.077**	**408.363**	**-**	**-**
Production costs		-391.878	-230.347	-	-
Other external costs		-32.728	-29.062	-782	-831
Gross profit/(loss)		**190.471**	**148.954**	**-782**	**-831**
Personnel costs	23	-156.554	-120.669	-300	-250
Other operating expenses		-	-4.429	-	-
Depreciation and amortisation of tangible and intangible assets	6/7	-6.660	-3.986	-1.697	-
Write down investments in subsidiaries	10	-	-	-66.329	-
Operating profit/(loss) before special item		**27.257**	**19.870**	**-69.108**	**-1.081**
Special items	5	-6.362	-14.393	-2.110	-8.226
Operating profit/(loss)		**20.895**	**5.478**	**-71.218**	**-9.307**
Dividend from subsidiaries		-	-	24.375	-
Financial income	8	35.521	33.500	32.445	33.161
Financial costs	8	-25.453	-17.320	-23.604	-16.590
Profit before income tax		**30.963**	**21.658**	**-38.002**	**7.264**
Income tax expense	9	-16.556	-5.992	-2.904	-1.598
Profit/(loss) for the year		**14.407**	**15.666**	**-40.906**	**5.666**

Statements of Other Comprehensive Income for the Years Ended 31 December 2015 and 2014

	Group		Parent	
	2015	2014	2015	2014
	DKKk	DKKk	DKKk	DKKk
Profit for the year	**14.407**	**15.666**	**-40.906**	**5.666**
Other comprehensive income:				
Items that may be subsequently reclassified to profit or loss				
Exchange rate adjustment relating to foreign entities	-11.430	-408	-	-3.300
Other comprehensive income for the year, net of tax	**-11.430**	**-408**	**-**	**3.300**
Total comprehensive income for the year	**2.977**	**15.258**	**-40.906**	**8.966**

Statements of Financial Position as at 31 December 2015 and 2014

	Notes	Group		Parent	
		2015	2014	2015	2014
		DKKk	DKKk	DKKk	DKKk
Assets					
Non-current assets					
Goodwill	6	326.017	337.905	-	-
Development projects	6	4.762	11.166	4.762	11.165
Software	6	26.022	1.872	21.975	26
Land and buildings	7	3.540	3.561	-	
Equipment, furnitures fixtures	7	4.033	6.251	-	-
Leasehold improvements	7	2.115	2.543	-	-
Other receivables		882	1.792	-	-
Equity interests in subsidiaries	10	-	-	278.266	344.595
Deferred tax assets	9	3.263	7.515	-	-
		370.633	**372.605**	**305.003**	**355.786**
Current assets					
Inventories	11	9.682	11.678	-	-
Trade receivables	12/13	57.496	56.057	-	-
Receivables from group enterprises		-	-	41.686	28.652
Tax receivables		827	257	-	-
Other receivables	13	26.827	4.454	885	146
Prepayments		6.271	7.619	38	-
Cash and cash equivalents		31.853	40.647	88	345
		132.956	**120.713**	**42.697**	**29.143**
Total assets		**503.590**	**493.317**	**347.700**	**384.929**

Statements of Financial Position as at 31 December 2015 and 2014

		Group		Parent	
	Notes	2015	2014	2015	2014
		DKKk	DKKk	DKKk	DKKk
Equity and liabilities					
Share capital	16	18.748	10.551	18.748	10.551
Other reserves		-11.838	-408	-	-
Retained earnings		158.979	102.769	101.826	100.929
		165.889	**112.912**	**120.574**	**111.480**
Non-current liabilities					
Bonds	13/14/15	175.654	244.715	175.654	244.715
Vendor loan	13/15	15.422	14.109	15.422	14.109
Finance lease debt	15/19	91	777	-	-
Deferred tax liabilities		7.113	-	5.364	1.323
		198.280	**259.601**	**196.440**	**260.147**
Current liabilities					
Bonds	13/15	1.755	2.069	1.755	2.069
Borrowings, credit institutions		52	-	52	-
Trade payables	13	63.564	44.762	474	3.098
Intercompany debt		-	-	27.842	7.848
Current income tax liabilities	9	5.445	9.306	-	-
Finance lease debt	15/19	440	383	-	-
Other payables	13	68.166	43.486	563	287
Deferred revenue		-	192	-	-
		139.422	**120.804**	**30.686**	**13.302**
Total liabilities		**337.702**	**380.405**	**227.126**	**273.449**
Total equity and liabilities		**503.590**	**493.317**	**347.700**	**384.929**

Statements of Changes in Equity for the Years Ended 31 December 2015 and 2014 - Group

Group

	Notes	Share capital	Share premium	Other reserves	Retained earnings	Total equity
		DKKk	DKKk	DKKk	DKKk	DKKk
Balance as at 1 January 2014		3.682	-	-	19.138	22.820
Profit for the year		-	-	-	15.666	15.666
Other comprehensive income for the year		-	-	-408	-	-408
Total comprehensive income for the year		3.682	-	-408	34.804	38.078
Capital reduction for distribution to shareholders		-614	-	-	614	-
Capital increase		7.483	67.351	-	-	74.834
Balance as at 31 December 2014		**10.551**	**67.351**	**-408**	**35.418**	**112.912**
Internal transfer		-	-67.351	-	67.351	-
Balance as at 31 December 2014		**10.551**	**0**	**-408**	**102.769**	**112.912**
Balance as at 1 January 2015		10.551	-	-408	102.769	112.912
Profit for the year		-	-	-	14.407	14.407
Other comprehensive income for the year		-	-	-11.430	-	-11.430
Total comprehensive income for the year		10.551	-	-11.838	117.176	115.889
Capital increase		8.197	41.803	-	-	50.000
Balance as at 31 December 2015		**18.748**	**41.803**	**-11.838**	**117.176**	**165.889**
Internal transfer		-	-41.803	-	41.803	-
Balance as at 31 December 2015		**18.748**	**-**	**-11.838**	**158.979**	**165.889**

Statements of Changes in Equity for the Years Ended 31 December 2015 and 2014 - Parent

Parent

	Notes	Share capital	Share premium	Other reserves	Retained earnings	Total equity
		DKKk	DKKk	DKKk	DKKk	DKKk
Balance as at 1 January 2014		3.682	-	-	23.999	27.681
Profit for the year		-	-	-	5.666	5.666
Other comprehensive income for the year		-	-	-	3.300	3.300
Total comprehensive income for the year		3.682	-	-	32.965	36.647
Capital reduction for distribution to shareholders		-614	-	-	614	-
Capital increase		7.483	67.350	-	-	74.833
Balance as at 31 December 2014		**10.551**	**67.350**	-	**33.579**	**111.480**
Internal transfer		-	-67.350	-	67.350	-
Balance as at 31 December 2014		**10.551**	-	-	**100.929**	**111.480**
Balance as at 1 January 2015		10.551	-	-	100.929	111.480
Profit for the year		-	-	-	-40.906	-40.906
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		10.551	-	-	60.023	70.574
Capital increase		8.197	41.803	-	-	50.000
Balance as at 31 December 2015		**18.748**	**41.803**	-	**60.023**	**120.574**
Internal transfer		-	-41.803	-	41.803	-
Balance as at 31 December 2015		**18.748**	-	-	**101.826**	**120.574**

Statements of Cash Flows for the Years Ended 31 December 2015 and 2014 - Group

	Notes	Group 2015	Group 2014	Parent 2015	Parent 2014
		DKKk	DKKk	DKKk	DKKk
Profit/(loss) for the year		14.407	15.666	25.423	8.966
Adjustments for non-cash transactions	22	14.798	-3.528	-4.792	-19.172
Change in working capital	23	3.271	-1.011	3.835	-29.401
Cash flows from operating activities before financial items and tax		**32.476**	**11.127**	**24.466**	**-39.607**
Interest paid		-21.353	-17.320	-20.832	-16.590
Interest received		0	1.224	1.284	781
Income tax paid		-9.582	-525	-	-
Cash flows from operating activities		**1.541**	**-5.494**	**4.918**	**-55.416**
Acquisition of subsidiary, net of cash acquired		-	-253.061	-	-278.266
Purchases of property, plant and equipment		-1.134	-9.438	-	-
Purchases of other intagible assets		-20.396	-13.208	-17.269	-11.191
Raising of finansial fixed assets		-	-946	-	-
Dividends received		-	-	-	-
Cash flows from investing activities		**-21.530**	**-276.654**	**-17.269**	**-289.457**
Proceeds from issuance of bonds		-	284.375	-	284.375
Proceeds from borrowings		52	-	52	-
Proceeds from leasing debt		-899	687	-	-
Repayment of Bonds / borrowings		-37.958	-14.000	-37.958	-14.000
Capital increases		50.000	74.833	50.000	74.833
Acquisition of treasury shares		-	-	-	-
Currency differences foreign entities		-	-	-	-
Cash flows from financing activities		**11.195**	**345.895**	**12.094**	**345.208**
Net (decrease)/increase in cash and cash equivalents		**-8.794**	**63.747**	**-257**	**335**
Cash and equivalents at beginning of year		40.647	-23.100	345	10
Cash and cash equivalents at end of year		**31.853**	**40.647**	**88**	**345**

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Notes to the Financial Statements

1. Summary of significant accounting policies

Basis of preparation
The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and with the International Financial Reporting Standards as endorsed by EU and additional Danish disclosure requirements.

New standard, amendments and interpretations not yet adopted
A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

- IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Group is assessing the impact of IFRS 15.
- IFRS 16 'The IASB has published IFRS 16 Leases, which amends the rules for lessee's accounting treatment of operating leases. In future, operating leases must therefore be recognised in the balance sheet as lease assets and similar lease liabilities. The standard has not yet been adopted by the EU and will become effective for financial years beginning on or after 1 January 2019. Mobylife expects to implement the standard when it becomes effective. Mobylife is in the process of examining the effect of the standard, which cannot yet be calculated.
- IFRS 9 'Financial Instruments. The standard replaces IAS 39, Financial instrument, recognition and measurement. It has three classification categories for debt instruments: amortised cost, fair value through other comprehensive income ('FVOCI') and fair value through profit or loss ('FVPL'). Classification under IFRS 9 for debt instruments is driven by the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest ('SPPI'). Equity investments which do not form part of the trading portfolio can be irrevocable designated at fair value through other comprehensive income. Further, a new impairment model for debt instruments not measured at fair value through profit or loss, based on expected losses. A new hedge accounting model is introduced under which the qualifying criteria are adjusted so as to better align with risk management practices. Mobylife expects to implement the standard when it becomes effective. Mobylife is in the process of examining the effect of the standard, which cannot yet be calculated. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Group is assessing the impact of IFRS 9.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

Consolidation
Subsidiaries
Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Notes to the Financial Statements

Acquisition-related costs are expensed as incurred.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

Foreign currency translation
Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency").

The financial statements are presented in Danish Kroner (DKK), which is the Group's presentation currency. The financial statements have been rounded to the nearest thousand.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses are presented in the income statement within "finance income or costs".

Group companies
The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
b) Income and expenses for each income statement are translated at average exchange rates; and
c) All resulting exchange differences are recognized in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognized in other comprehensive income.

Balance sheet

Fixed assets
Fixed assets are mainly comprised of land and buildings and plant and machinery, which are measured at cost less accumulated depreciation, and any impairment losses.

The cost is comprised of the acquisition price and direct costs related to the acquisition until the asset is ready for use.

Notes to the Financial Statements

Depreciation, which is stated at cost net of any residual value, is calculated on a straight-line basis over the expected useful lives of the assets, which are as follows:

Leasehold improvements	5 years or the lease term if shorter
Equipment, furniture and fixtures	3 - 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. An impairment loss is recognised in the income statement when the impairment is identified.

Intangible assets

Goodwill

The carrying amount of goodwill relates to strategic acquisitions.

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGU's, or groups of CGU's, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The Carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Impairment of non-financial assets

Intangible assets that have an indefinite useful life (Goodwill) are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairment of non-financial assets (other than goodwill) is reviewed for possible reversal at each reporting date.

Development projects

Development projects are measured at cost less accumulated depreciation, and any impairment losses.

The cost is comprised of the acquisition price and direct costs related to the acquisition until the asset is ready for use.

Notes to the Financial Statements

Depreciation, which is stated at cost net of any residual value, is calculated on a straight-line basis over the expected useful lives of the assets, which are as follows:

Software projects	7 years
Brand	7 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. An impairment loss is recognised in the income statement when the impairment is identified.

Equity interests in subsidiaries in the parent company
In the separate financial statements of the parent company Mobylife Holding A/S, equity interests in subsidiaries are recognized and measured at cost. Equity interests in foreign currencies are translated to the reporting currency by use of historical exchange rates prevailing at the time of investment. The cost is written down to the recoverable amount if this is lower.

Distributions from the investment are recognized as income when declared. An impairment test is performed if a distribution exceeds the current period's comprehensive income or the subsidiary exceeds the carrying amount of the net assets of the subsidiary in the consolidated financial statements.

Financial assets
Classification
The Group classifies its financial assets in the following categories; Loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise "trade and other receivables" and "cash and cash equivalents" in the balance sheet.

Trade receivables
Trade receivables are amounts due from customers for services performed in the ordinary course of business.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, which generally corresponds to nominal value less provision for bad debts.

The provision for bad debts is calculated on the basis of an individual assessment of each receivable including analysis of capacity to pay, creditworthiness, and historical information on payment patterns and doubtful debts.

Prepayments include expenditures related to a future financial year. Prepayments are measured at nominal value.

Cash and cash equivalents
In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts.

In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

Notes to the Financial Statements

Inventories
Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and raw materials and consumables comprises purchase price and other direct costs. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Share capital
Ordinary shares are classified as equity.

Trade payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade payables are recognised initially at fair value and subsequently at amortised cost. The carrying amount of trade payables corresponds essentially to fair value.

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IAS 39 are satisfied. The Group has designated bonds at fair value through profit and loss because the bond include an embedded derivative, which according to IAS 39 should have been separated, had the bond been measured at amortised cost. On this basis, the contract as a whole is designated at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are initially measured at fair value. Transaction costs are recognized as an expense.

Borrowings
Borrowings other than bonds are recognised initially at fair value, net of transaction costs incurred. They are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method.

Fees paid to establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Current and deferred income tax
Income tax, which consists of current tax and the adjustment of deferred taxes for the year, is recognised in the income statement to the extent that the tax is attributable to the net result for the year. Tax attributable to entries directly related to shareholders' equity is recognised in other comprehensive income.

Current tax liabilities include taxes payable based on the expected taxable income for the year and any adjustments to prior year's tax expense as recorded in the income statement. Any current tax liabilities are recognised in "Trade and other payables" in the balance sheet.

Any prepaid taxes are recognised in "Trade and other receivables" in the balance sheet.

Deferred tax is calculated in accordance with the tax regulations and current tax rates in the individual countries. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement.

Deferred tax assets resulting in temporary differences, including the tax value of losses to be carried forward, are recognised only to the extent that it is probable that future taxable profit will be available against which the differences can be utilized.

Mobylife Holding A/S recognizes deferred tax assets, including the tax base of tax loss carry-forwards, if management assesses that these tax assets can be offset against positive taxable income within a foreseeable future. This judgement is made on an ongoing basis and is based on budgets and business plans for the coming years, including planned commercial initiatives.

Notes to the Financial Statements

Profit and loss

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Group recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sales of goods

Sales of goods are recognized when a group entity sells a product to the customer and risk and rewards have transferred to the customer. Sales are usually by bank transfer from the customer. Sales of goods in the Group are very limited.

Sales of services

The Group sells repair and service of mobile phones or devices with a very short repairmen period (a few days). For sales of services, revenue is recognized in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Dividend income

Dividend income is recognized when the right to receive payment is established.

Leases

Operating leases

Lease contracts, where the lessor retains the significant risk and rewards associated with the ownership of the asset, are classified as operating leases.

Lease payments under operating leases are recognised in the income statement over the lease term. The total lease commitment under operating leases is disclosed in the notes to the financial statements.

Finance leases

Lease contracts, which in all material respects transfer the significant risk and rewards associated with the ownership of the asset to the lessee, are classified as finance lease. Assets treated as finance leases are recognised in the balance sheet at the inception of the lease term at the lower of the fair value of the asset or the net present value of the future minimum lease payments. A liability equalling the asset is recognised in the balance sheet. Each lease payment is separated between a finance charge, recorded as a financial expense, and a reduction of the outstanding liability.

Assets under finance leases are depreciated in the same manner as owned assets and are subject to regular reviews for impairment.

Notes to the Financial Statements

Special items
Special items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

Contingent assets and liabilities
Contingent assets and liabilities are assets and liabilities that arose from past events but whose existence will only be confirmed by the occurrence or non-occurrence of future events that are beyond the Group's control.

Contingent assets and liabilities are not to be recognised in the financial statements, but are disclosed in the notes.

Statement of cash flow
The Statement of Cash Flows is presented using the indirect method. The Statement of Cash Flows shows cash flows used in operating activities, cash flows used in investing activities, cash flows from financing activities, and the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows used in operating activities is comprised of net profit or loss for the year adjusted for non-cash items, such as share based payment expense, fair value revaluations of shareholder warrants, depreciations, paid financial items, corporate tax paid, and change in working capital.

Cash flows used in investing activities is comprised of payments relating to property, plant and equipment.

Cash flows from financing activities are comprised of proceeds from borrowings, such as interest-bearing convertible loans, and proceeds from share issuances and related transaction costs.

Notes to the Financial Statements

2. Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Estimated impairment of goodwill
The Group annually tests whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. Goodwill amounts to DKKk 326,017 (2014: DKKk 337,905) and no impairment losses has been recognised in 2015 or 2014. Uncertainty and sensitivity are disclosed in note 4.

Fair value of bond
The Group has issued bonds, which were listed on the Nasdaq Stockholm exchange in November 2015.

Measurement of fair value is due to the lack of observable transactions with the bond and limited observable input used in a valuation model, a level 3 measurement associated with significant estimation uncertainty.

See note 15 for further description of the valuation.

Management judgement when applying accounting policies
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IAS 39 are satisfied. The Group has designated bonds at fair value through profit and loss because the bond includes a prepayment option, which in management's assessment should have been separated, had the bond been measured at amortised cost. On this basis, the contract as a whole is designated at fair value through profit or loss in accordance with IAS 39.

Financial liabilities at fair value through profit or loss are initially measured at fair value. Transaction costs are recognized as an expense.

Notes to the Financial Statements

3. Compliance with Financial covenants

Under the agreement on amended terms for the bonds, the required Net Debt to EBITDA ratio threshold is 4.25 at 31 December 2016 and 3.25 at 31 December 2017.

Management has prepared an outlook for 2016 and a projection for 2017, which show that the Group will comply with the Net Debt to EBITDA ratio threshold at 31 December 2016 and 31 December 2017.

The expected Net Debt to EBITDA ratio at 31 December 2016 is just within the threshold of 4.25, and consequently, the compliance with Net Debt to EBITDA ratio is sensitive to fluctuations in EBITDA for 2016 and Net Debt at 31 December 2016.

The outlook for 2016 is based on a number of significant assumptions related to revenue development, cost savings, and working capital improvements.

In 2016, the Group will be working on implementing revenue- and cost saving initiatives as well as the working capital improvements, in order to ensure the cash flow and strengthen the financial readiness.

The Board of Directors will together with Executive Management continue to monitor the development in EBITDA and Net Debt.

Even though the Board of Directors and the Executive Management expect to succeed in improving EBITDA and liquidity/Net Debt during 2016 to be within the Net Debt/EBITDA ratio of 4.25 at 31 December 2016 and presents the financial statements under the going concern assumption, the above indicates that there is uncertainty that may cast doubt about the Group's and the Company's ability to comply with the financial covenant. In case of a breach of the financial covenants, the bond debt will be in default. However, the Board of Directors and the Executive Management do not consider the uncertainty to be material.

Notes to the Financial Statements

4. Segment, revenue and assets information

Segment

The Executive Management is the group's chief operating decision-maker. Management has determined the single operating segment based on the information reviewed by strategic steering committee for the purposes of allocating resources and assessing performance.

The Executive Management operates the company as a whole based upon centralized decision making across the various production sites. Therefore management has assessed that the group only has one segment.

Revenue, Geographical information

Revenue disclosures - 2014

	Denmark	Sweden	Norway	Finland	Group
	DKKk	DKKk	DKKk	DKKk	DKKk
Revenue	85.329	157.314	68.163	97.557	408.363

Revenue disclosures - 2015

	Denmark	Sweden	Norway	Finland	Group
	DKKk	DKKk	DKKk	DKKk	DKKk
Revenue	67.194	202.188	128.446	217.249	615.077

Revenue

	Group		Parent	
	2015	2014	2015	2014
	DKKk	DKKk	DKKk	DKKk
Sales of services	452.234	366.253	-	-
Sales of goods	162.843	42.110	-	-
Total revenue	615.077	408.363	-	-

One customer accounts for DKK 78,4 million or 12,7% of total turnover in 2015.

Assets, Geographical information

Assets disclosures - 2014

	Denmark	Sweden	Norway	Finland	Group
	DKKk	DKKk	DKKk	DKKk	DKKk
Intangible assets	341.322		1.846	186	343.354
Tangible assets	3.028	6.638	575	2.114	12.355

Assets disclosures - 2015

	Denmark	Sweden	Norway	Finland	Group
	DKKk	DKKk	DKKk	DKKk	DKKk
Intangible assets	352.568	-	4.047	187	356.802
Tangible assets	2.214	6.222	339	912	9.687

Notes to the Financial Statements

5. Special items

Cost items that are material either because of their size or their nature, or that are non-recurring are considered as special items.

An analysis of the amount presented as special item in these financial statements is given below.

	Group		Parent	
	2015	2014	2015	2014
	DKKk	DKKk	DKKk	DKKk
Operating items:				
Transaction costs, Mobylife Holding AS	-510	4.433	-510	4.433
Transaction costs, Mobylife OY	-510	3.573	-510	3.573
Non-recurring: Theft and inventory losses	-	2.472	-	-
Non-recurring: Legal dispute, Significant errors	-	220	-	220
Non-recurring: Bond prospect and waivers	2.126	-	2.126	-
Non-recurring: IFRS conversion and accounting costs	1.658	-	-	-
Non-recurring: Re-organization	2.594	3.695	-	-
Non-recurring: Branding	270	-	270	-
Non-recurring: Ongoing litigation	734	-	734	-
	6.362	**14.393**	**2.110**	**8.226**

Notes to the Financial Statements

6. Intangible assets

Group	Goodwill	Development projects	Software	Total
	DKKk	DKKk	DKKk	DKKk
Cost				
As at december 2013	**84.844**	**-**	**-**	**84.844**
Exchange differences	-	-	-	-
Acquisition of subsidiary	253.061	-	-	253.061
Additions	-	11.166	2.042	13.208
As at 31 December 2014	**337.905**	**11.166**	**2.042**	**351.113**
Accumulated amortization and impairment				
As at december 2013				
Exchange differences	-	-	-	-
Impairment charge	-	-	-	-
Amortization charge	-	-	-170	-170
As at 31 December 2014	-	-	**-170**	**-170**
Net Book value	**337.905**	**11.166**	**1.872**	**350.943**

Group	Goodwill	Development projects	Software	Total
	DKKk	DKKk	DKKk	DKKk
Cost				
As at december 2014	**337.905**	**11.166**	**1.872**	**350.943**
Exchange differences	-	-	-123	-123
Acquisition of subsidiary	-	-	-	-
Transfer	-	-11.166	11.166	-
Additions	-	4.762	15.634	20.396
As at 31 December 2015	**337.905**	**4.762**	**28.549**	**371.216**
Accumulated amortization and impairment				
As at december 2014	-	-	-	-
Exchange differences	-11.888	-	-	-11.888
Impairment charge	-	-	-	-
Amortization charge	-	-	-2.528	-2.528
As at 31 December 2015	**-11.888**	**0**	**-2.528**	**-14.416**
Net Book value	**326.017**	**4.762**	**26.022**	**356.801**

Depreciation, amortization and impairments are included in the income statement as follows:	2015	2014
	DKKk	DKKk
Production costs	-	-
Depreciation and amortisation	-2.528	-170
	-2.528	**-170**

Notes to the Financial Statements

6. Intangible assets

Parent	Goodwill	Development projects	Software	Total
	DKKk	DKKk	DKKk	DKKk
Cost				
As at december 2013	**-**	**-**	**-**	**-**
Exchange differences	-	-	-	-
Acquisition of subsidiary	-	-	-	-
Additions	-	11.166	26	11.192
As at 31 December 2014	-	**11.166**	**26**	**11.192**
Accumulated amortization and impairment				
As at december 2013	-	-	-	-
Impairment charge	-	-	-	-
Amortization charge	-	-	-	-
As at 31 December 2014	-	-	-	-
Net Book value	**-**	**11.166**	**26**	**11.192**

Parent	Goodwill	Development projects	Software	Total
	DKKk	DKKk	DKKk	DKKk
Cost				
As at december 2014	**-**	**11.166**	**26**	**11.192**
Acquisition of subsidiary	-	-	-	-
Transfer	-	-11.166	11.166	-
Additions	-	4.762	12.480	17.242
As at 31 December 2015	-	**4.762**	**23.672**	**28.434**
Accumulated amortization and impairment				
As at december 2014	-	-	-	-
Impairment charge	-	-	-	-
Amortization charge	-	-	-1.697	-1.697
As at 31 December 2015	-	-	**-1.697**	**-1.697**
Net Book value	**-**	**4.762**	**21.975**	**26.737**

Depreciation, amortization and impairments are included in the income statement as follows:	2015	2014
	DKKk	DKKk
Production costs	-	-
Depreciation and amortisation	-1.697	-
	-1.697	**-**

Notes to the Financial Statements

6. Intangible assets

Impairment test for goodwill

Management monitors goodwill for the Mobylife Group as a whole. Therefore the impairment test of goodwill is performed for the Group as a whole, which is also the way managements reviews the results of the Group.From the PPA where it has been tested if goodwill could and should be redistributed to other assets, it was concluded that it was not possible. The synergies and rationale behind the acquisitions are founded in cross-operational utilization of best practice, and cost of scale.

The recoverable amount of the CGU has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a ten-year period. Cash flows beyond the ten-year period are extrapolated using the estimated growth rates. The growth rates does not exceed the long-term average growth rate for the business and the CGU.

For the CGU the key assumptions, long term growth rate and discount rate used in the value-in-use calculations are as follows. The allocation of goodwill to CGU's is also summarized in the table.

Information and assumptions 2015	2015	2014
	DKKk	DKKk
Goodwill	326.017	337.905
Revenue volume (% annual growth rate)	2,3%	5,0%
Gross margin (% of revenue)	31,0%	22.0%
Annual capital expenditure	8.000	5.000
WACC (pre TAX)	10.9%	12.1%
Long term growth rate	2,0%	2,0%

Revenue volume is the average annual growth rate over the ten-year forecast period. It is based on past performance and management's expectations of market development. Gross margin is the average margin as a percentage of revenue over the ten-year forecast period. It is based on the current sales margin levels and sales mix.

The result includes other operating costs are the fixed costs of the CGU, which do not vary significantly with sales volumes or prices. Management forecasts these costs based on the current structure of the business, adjusting for inflationary increases and these does not reflect any future restructurings or cost saving measures. The amounts disclosed above are the average operating costs for the ten-year forecast period.

The budget assumptions for Mobylife includes increased efficiency decided and initiated in 2015, with final implementatin during 2016 in the production following optimizing working procedures and performance management. Furthermore does the budget assume a continuously alignment of workforce and repair volumes - i.e. and flexible workforce handling seasonality and fluctuations in demand. The budget includes full year impact in 2017 from activities initiated in 2015, being implemented in 2016 adding new services to the product portfolio, as adding new customers. From 2018 and forward there has not been incorporated new activities on top, nor has there been incorporated significant increase in customer base. The investment need has been identified based upon requirements for tools and IT development as permanent drivers.

The key business drivers are repair volumes, brandmix of repairs, and brand efficiency repair level. Volumes are expected at the same level as in 2015, where there within the brandmix will be an changed allocation within the top 5 brands, and where the efficiency will continue with improvements implemented during 2015. Any reasonable possible changes in the key assumptions are not expected to cause the carrying amount of goodwill to exceed the recoverable value.'

Development projects

Development projects primarily consist of external and internal costs related to development and implementation of a group wide ErP-platform. The projects are not yet finished but are expected to be during 2016.

Notes to the Financial Statements

7. Property, plant and equipment

	Land and buildings	Leasehold improvements	Equipment, furnitures and fixtures	Total
	DKKk	DKKk	DKKk	DKKk
Group				
As at December 2014	-	-	-	-
Cost	3.474	3.708	7.421	14.603
Accumulated depreciation	86	-1.165	-1.170	-2.249
Net book	**3.560**	**2.543**	**6.251**	**12.354**
Opening net book amount	-	2.297	6.354	8.651
Exchange differences	-3	15	17	29
Reclassifications		70	-70	
Acquisition of subsidiary	-	-	-	-
Additions	3.477	978	4.984	9.439
Disposals	-	-450	-4.889	-5.339
Depreciation charge	86	-817	-3.255	-3.986
Depreciation on disposals	-	450	3.110	3.560
Closing net book amount at 31. December 2014	**3.560**	**2.543**	**6.251**	**12.354**
Group				
Cost	3.647	3.708	11.609	18.964
Accumulated depreciation	-87	-1.165	-5.358	-6.610
Net book amount year ended 31 December 2014	**3.560**	**2.543**	**6.251**	**12.354**
Opening net book amount	3.560	2.543	6.251	12.354
Exchange differences	143	41	60	244
Reclassifications	-	-	-	-
Acquisition of subsidiary	-	-	-	-
Additions	-	675	1.126	1.801
Disposals	-	-	-943	-943
Depreciation charge	-163	-1.144	-2.736	-4.043
Depreciation on disposals	-	-	275	275
Closing net book amount at 31 December 2015	**3.540**	**2.115**	**4.033**	**9.687**
Cost	3.790	4.424	11.852	20.066
Accumulated depreciation	-250	-2.309	-7.819	-10.379
Net book amount	**3.540**	**2.115**	**4.033**	**9.687**

Depreciation, amortization and impairments are included in the income statement as follows:	2015	2014
	DKKk	DKKk
Production costs	-	-
Depreciation and amortisation	-4.043	-3.986
	-4.043	-3.986

The group leases various vehicles under noncancellable finance lease agreements. The lease terms are between 1 and 5 years. The book value af finance lease amounts to DKKk 618 as at 31 December 2015, and DKKk 628 as at 31 December 2014

Notes to the Financial Statements

8. Finance income and costs

	Group		Parent	
	2015	2014	2015	2014
	DKKk	DKKk	DKKk	DKKk
Interest expense:				
-Bank borrowings	-16	-22	-	-
-Interest bonds	-19.277	-13.681	-19.277	-13.681
-Amortisation cost	-	-1.262	-	-1.263
-Vendor loan	-1.313	-1.012	-1.313	-1.012
-Finance lease liabilities	-56	-32	-	-
-Other interest expenses	-463	-840	-242	-479
Net foreign exchange gains on financing activities	-4.328	-470	-2.772	-155
Finance costs	**-25.453**	**-17.320**	**-23.604**	**-16.590**
Finance income:				
-Interest income on short-term bank deposits	64	140	-	781
-Fair value adjustments - bonds	25.018	22.861	25.018	22.861
- Gain on bonds repurchase	6.085	-	6.085	-
Net foreign exchange gains on financing activities	4.354	10.499	58	9.519
-Interest income on loans to related parties	-	-	1.284	-
Finance income	**35.521**	**33.500**	**32.445**	**33.161**
Net finance income/(costs)	**10.068**	**16.180**	**8.841**	**16.571**
Financial income (P&L):				
Interest received	64	140	1.284	781
Fair value adjustments - bonds	25.018	22.861	25.018	22.861
- Gain on bonds repurchase	6.085	-	6.085	-
Foreign exchange differences	4.354	10.499	58	9.519
	35.521	**33.500**	**32.445**	**33.161**
Financial cost (P&L):				
Interest expenses	-21.125	-16.850	-20.832	-16.435
Foreign exchange losses	-4.328	-470	-2.772	-155
	-25.453	**-17.320**	**-23.604**	**-16.590**
Net finance income/(costs)	**10.068**	**16.180**	**8.841**	**16.571**

Notes to the Financial Statements

9. Income tax expense

	Group		Parent	
	2015	2014	2015	2014
	DKKk	DKKk	DKKk	DKKk
Current tax:				
Current tax on profits for the year	-6.407	-5.830	-	-
Adjustments in respect of prior years	0	139	-	-
Total current tax	**-6.407**	**-5.691**	-	-
Deferred tax:				
Origination and reversal of temporary differences	-598	527	-645	-1.598
Write down of tax assets	-7.155	-	-	-
Tax loss carry forward	-27	-949	-	-
Tax loss carry forward	-2.369	122	-2.259	-
Total deferred tax	**-10.149**	**-300**	**-2.904**	**-1.598**
Income tax expenses for the period	**-16.556**	**-5.992**	**-2.904**	**-1.598**

A reconciliation of income tax/expense at the statutory rate of Mobylife Holding A/S effective tax rate is as follows:

Profit before tax	**30.963**	**21.657**	**-38.002**	7.264
Computed 23,5% (24,5%)	**-7.276**	**-5.613**	**8.930**	**-1.780**
Tax calculated at domestic tax rates applicable to profits in the respective countries				
Tax effects of:				
-Expenses not deductible for tax purposes	522	265	-15.349	-
Non-taxable income	-	-	5.728	-
-Adjustments in respect of prior years	-	122	-	-
Write down of tax assets	-7.155	-	-	-
Re-measurement of deferred tax – change in –land- tax rate	-278	-767	46	182
Adjustment in respect of prior years	-2.369	-	-2.259	-
Tax charge	**-16.556**	**-5.992**	**-2.904**	**-1.598**
Income tax expenses for the period	**-16.556**	**-5.992**	**-2.904**	**-1.598**

Significant components of the deferred tax asset are as follows:

Operating items:				
Tax deductible losses	8.024	2.323	5.124	-
Other temporary differences	-11.874	5.192	-10.488	-1.323
Total deferred tax	**-3.850**	**7.515**	**-5.364**	**-1.323**
Deferred tax asset	3.263	8.973	-	-
Deferred tax liability	-7.113	-1.457	-	-1.323
Total deferred tax	**-3.850**	**7.515**	**-**	**-1.323**

Notes to the Financial Statements

10. Equity interests in subsidiaries

Mobylife Holding A/S (parent company) holds investments in the following subsidiaries:

Name	Domicile	Share-capital		Ownership and votes 2015	Ownership and votes 2014
Mobylife A/S	Søborg, Denmark	DKKk	600	100%	100%
Mobylife Ljungby AB	Ljungby, Sweden	SEKk	100	100%	100%
Mobylife Holding AS	Kongsberg, Norway	NOKk	10.000	100%	100%
Mobylife Drammen AS	Drammen, Norway	NOKk	1.000	100%	100%
Mobylife Kongsberg AS	Kongsberg, Norway	NOKk	1.000	100%	100%
Mobylife AB	Malmø, Sweden	SEKk	102	100%	100%
Mobylife OY	Helsinki, Finland	EURk	2.5	100%	100%
Mobylife Helsinki Oy	Helsinki, Finland	EURk	0.2	100%	100%

Investments in subsidiaries are subject to a yearly assessment by the group's management for impairment indications and, if necessary, an impairment test is carried out.

	Parent	
	2015	2014
	DKKk	DKKk
Opening balance	344.595	66.329
Additions for the year	-	278.266
Cost per December 31	**344.595**	**344.595**
Impairment per January 1	-	-
Impairment for the year	-66.329	-
Impairment per December 31	**-66.329**	**-**
Carrying amount per December 31	**278.266**	**344.595**

All subsidiaries are included in the consolidation. The proportion of the voting rights in the subsidiaries held directly by the parent company do not differ from the proportion of the ordinary shares held.

There are no significant restrictions.

Notes to the Financial Statements

11. Inventories

	Group		Parent	
	2015	2014	2015	2014
	DKKk	DKKk	DKKk	DKKk
Raw materials and supplies	11.356	15.642	-	-
Finished goods	-	-	-	-
Total inventories	**11.356**	**15.642**	**-**	**-**
Less: provision for inventory reserves	-1.674	-3.964	-	-
Total net inventories	**9.682**	**11.678**	**-**	**-**

Provision for inventory reserves				
1 January	-3.964	-	-	-
Additions / Disposals	2.290	-3.964	-	-
31. December	**-1.674**	**-3.964**	**-**	**-**

The provision for inventory reserves comprise of general reserves on slow moving items.

Notes to the Financial Statements

12. Trade and other receivables

	Group		Parent	
	2015	2014	2015	2014
	DKKk	DKKk	DKKk	DKKk
Movement on the Group provision for impairment of trade receivables are as follows:				
Opening balances	680	440	-	-
Allowances during the year	-2	223	-	-
Write-offs during the year	77	17	-	-
Reversed allowances	-71	-	-	-
At 31 December	**684**	**680**	-	-
Allocation of overdue net receivables (not written off) by maturity period are as follows:				
Up to 30 days	12.849	15.968	-	-
Between 31 and 90 days	9.605	2.858	-	-
Between 91 and 365 days	5.113	858	-	-
Overdue net receivables at 31 December	**27.567**	**19.684**	-	-

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral as security.

Notes to the Financial Statements

13. Financial assets and liabilities

The Group has recognised the following categories of financial assets and liabilities:

	2015		2014	
	Carrying Amount	Fair value	Carrying Amount	Fair value
	DKKk	DKKk	DKKk	DKKk
Financial assets				
Loans and receivables:				
Trade receivables	57.496	57.496	56.057	56.057
Other receivables	26.827	26.827	12.073	12.073
Cash and equivalents	31.853	31.853	40.647	40.647
Total	**116.176**	**116.176**	**108.778**	**108.778**
Financial liabilities at amortised cost				
Vendor loan	15.422	15.422	14.109	14.109
Other loans	-	-	-	-
Trade payables	93.181	93.181	44.574	44.574
Other payables	68.167	68.167	64.768	64.768
Total	**176.770**	**176.770**	**123.451**	**123.451**
Financial liabilities at fair value				
Interest-bearing bonds	175.654	175.654	244.715	244.715
Total	**175.654**	**175.654**	**244.715**	**244.715**

Fair value

The Group has measured interest-bearing bonds at fair value through profit and loss. No other asset or liabilities are measured at fair value at either 31 December 2015 or 31 December 2014. The fair value of the bonds have been measured using level 3 in the fair value hierachy. See note no. 15 for further information.

Notes to the Financial Statements

14. Financial risk management

Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (currency and interest risk), credit risk and liquidity risk. The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

The Financial risks of the group are managed centrally. The overall risk management guidelines and policies have been approved by the board of directors. Group treasury identifies and evaluates in close co-operation with the group's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Market risk

Foreign exchange risk

The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the SEK, NOK and Euros. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. Increases or decreases in the exchange rate of such foreign currencies against the functional currency, the DKK, can affect the group's results and cash position negatively or positively.

At 31 December 2015, if the DKK had weakened/strengthened by 5% against the EUR with all other variables held constant, the recalculated post-tax profit for the year would have been DKKk 208 (2014: DKKk 192) lower/higher and for the Equity DKKk 321 (2014:DKKk 136), mainly as a result of foreign exchange gains/losses on translation of EUR-denominated trade receivables and foreign exchange losses/gains on translation of EUR-denominated borrowings.

At 31 December 2015, if the DKK had weakened/strengthened by 5% against the SEK with all other variables held constant, the recalculated post-tax profit for the year would have been DKKk 9.088 (2014: DKKk 10.526) lower/higher and for the Eqiuty DKKk 9.394 (2014: DKKk 10.606), mainly as a result of foreign exchange gains/losses on translation of SEK-denominated trade receivables and foreign exchange losses/gains on translation of SEK-denominated borrowings.

At 31 December 2015, if the DKK had weakened/strengthened by 5% against the NOK with all other variables held constant, the recalculated post-tax profit for the year would have been DKKk 624 (2014: DKKk 385) lower/higher and for the Equity DKKk 815 (2014: DKKk. 954), mainly as a result of foreign exchange gains/losses on translation of NOK-denominated trade receivables and foreign exchange losses/gains on translation of EUR-denominated borrowings.

Interest rate risk

The group's interest rate risk arises from long-term borrowing related to the Bond. Borrowings issued at variable rates expose the group to cash flow interest rate risk, which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the group to fair value interest rate risk. The group policy is to not obtain any additional long term borrowing, than the existing bond debt. The variable amount in the interest rate is fixed against STIBOR.

At 31 December 2015, if STIBOR rates on SEK-denominated borrowings had been 1 percent point higher/lower with all other variables held constant, the recalculated post-tax profit for the year would have been DKKk 1,996 (2014: DKKk 1,233) lower/higher and for the Equity DKKk 1,996 (2014: DKKk 1,233), mainly as a result of higher/lower interest expense on floating rate borrowings.

Notes to the Financial Statements

14. Financial risk management

Credit risk

Credit risk is managed on group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables. For banks and financial institutions, only independently rated parties with a minimum rating of "A" are accepted. For customers individua risk limits are set based on internal or external ratings in accordance with limits set y the board. The utilisation of credit limits is regularly monitored.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

Liquidity risk

Cash flow forecasting is performed in the operating entities of the group and aggregated by group finance. Group finance monitors rolling forecasts of the group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the group does not breach borrowing limits or covenants (where applicable) or any of its borrowing facilities. Such forecasting takes into consideration the group's debt financing plans, covenant compliance and compliance with internal balance sheet ratio targets. See note 3 for a description of compliance with the financial covenant at 31 December 2016 and the related uncertainty is can give on liquidity

The table below analyses the group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

At December 31, 2014	Less than 3 month	Between 3 month and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	DKKk	DKKk	DKKk	DKKk	DKKk	DKKk
Borrowings (ex finance lease liabilities)	2.069	19.399	19.399	267.576	-	308.444
Vendor loan	-	1.023	1.023	14.109	-	16.155
Finance lease liabilities	163	490	641	136	-	1.430
Trade payables	44.762	-	-	-	-	44.762
Other payables	17.684	21.077	4.129	16.492	4.632	64.014
Total	**64.678**	**41.989**	**25.192**	**298.313**	**4.632**	**434.804**
At December 31, 2015						
Borrowings (ex finance lease liabilities)	1.755	16.702	16.702	235.420	-	270.578
Vendor loan	-	1.118	1.118	15.422	-	17.658
Finance lease liabilities	46	304	181	-	-	531
Trade payables	63.564	-	-	-	-	63.564
Other payables	32.694	7.739	19.730	8.002	-	68.165
Total	**98.059**	**25.863**	**37.731**	**258.844**	**-**	**420.496**

Notes to the Financial Statements

14. Financial risk management

Capital management

The Group has exposure to foreign exchange risk as a result of the operations in Denmark, Sweden, Norway and Finland. Foreign exchange-, interest rate-, and credit risks arise from commercial relationships and the impact on the issued bond. The company has no major purchases outside the Nordic region or EUR-zone. Billing and purchasing is done predominantly in DKK, SEK, NOK or EUR. MLH has not used financial instruments to hedge against currency fluctuations.

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The board of directors monitors the share and capital structure to ensure that Mobylife Holding A/S' capital resources support the strategic goals, and the covenant attached to the bond. This is done by monitoring Net interest bearing debt in relation to EBITDA, on a rolling 12 months basis. The covenant maximum levels are
From 31/12-2015: NIBD / EBITDA = 7,00
From 31/12-2016: NIBD / EBITDA = 4,25
From 31/12-2017: NIBD / EBITDA = 3,25

The bond covenant NIBD/EBITDA result as at 31 December 2015 was 5.87, where the maximum threshold was 7.00. The covenant calculation follows the definition stated in the amended terms and conditions, which are different from the applied accounting principle. The covenant definition uses nominal value of the bond, where the applied accounting principle uses fair market value.

Capital management therefore includes monitoring exchange rates and development in market value of the bond,together with the EBITDA.

Notes to the Financial Statements

15. Borrowings

	Group		Parent	
	2015	2014	2015	2014
	DKKk	DKKk	DKKk	DKKk
Non-current				
Issued bonds	175.654	244.715	175.654	244.715
Bank borrowings	-	-	-	-
Vendor loan	15.422	14.109	15.422	14.109
Finance lease liabilities	91	777	-	-
Total	**191.167**	**259.601**	**191.076**	**258.824**
Current				
Issued bonds - interest	1.755	2.069	1.755	2.069
Bank borrowings	52	-	52	-
Finance lease liabilities	440	653	-	-
Total	**2.247**	**2.722**	**1.807**	**2.069**

Non-current borrowings

The Group's financing mainly comprises issued bonds. In May 2014 Mobylife Holding A/S issued a SEK 350 million bond used for financing the acquisitions of subsidiaries as well as refinancing existing bank debt. The bond bears an interest coupon of 7,25%+STIBOR 3mth fixed annually and has a maturity in 2018.

The bond was listed on NASDAQ Stockholm at 20 November 2015.

During 2015 MLH has completed bond terms renegotiations, capital injection through new equity, and a bond buy-back program.

There is one financial covenant attached to the bond. As of 31 December 2015, the Net Interest Bearing Debt to EBITDA shall not exceed 7.00, hereafter 4.25 at the 31 December 2016 and 3.25 at 31 December 2017. The EBITDA is defined as the last twelve months pro forma figures of the Group, excluded non-recurring items.

The outstanding bond principal and nominal value is SEKk 282.000, which amounts to DKKk 230,360 at 31 December 2015. Fair value has been determined to be DKK 175,654, corresponding to index 76.25 resulting in a cumulative fair value gain of DKKk 47,879 and a gain for the year of DKKk 25.018. The fair value adjustment on the bond is derived from change in the credit risk of Mobylife.

Carrying amount 1 January 2015 level 3	**0**
Transfer from level 2 in the fair value hierarchy	244.714
Repurchase	-37.957
Gain on disposal included in financial income	-6.085
Unrealised gain included in financial income and in the carrying amount at 31 December 2015	-25.018
Carrying amount 31 December 2015	**175.654**

Notes to the Financial Statements

15. Borrowings

Due to the fact that the bond bears a floating interest rate based on 3 months STIBOR, Management has determined that the relevant factors affecting fair value of the bond is Mobylife's own credit risk and liquidity in the market for non-investment grade bonds. The valuation is based on indicative offers in the market, the financial development of the Mobylife Group and published outlook, and on an analysis of the development in credit spreads for non-investment grade bonds with a similar terms. The indicative offers have a relatively large price range, and currently, non-investment grade bonds trade with a significant variation in credit spreads reflecting the general uncertainty in the market. Therefore, alternative assumptions for the valuation might be reasonable. Management determines that a reasonably possible change the credit spread is +/- 1 % resulting in a change in the carrying amount of +/- DKKk 2.296. The valuation is a level 3 fair value measurement according to the fair value hierarchy.

The fair value adjustment on the bond is derived from change in the credit risk of Mobylife.

MLH may prior to maturity redeem all, but not some only, of the outstanding bond notes in full, following a specification set out in the amended terms and conditions section 9.3. These are available at http://www.mobylife.com.

The vendor loan amounting to DKKk 15.422 at 31 December 2015 has maturity after the bond maturity date. The vendor loan bears an interest coupon of 7% + additional 2% if the interests are not disbursed, but instead accumulated and added into the principal.

Notes to the Financial Statements

16. Share capital and shareholder information

The following table summarizes common share activity in the years presented:

	2015	2014
	DKKk	DKKk
Common shares outstanding – January 1	10.551	3.682
Shares issued	8.197	6.869
Common shares outstanding – December 31	-	-
Par value	-	-
Share capital on balance sheet	**18.748**	**10.551**

The principal shareholders of common shares at December 31, 2015 are:		Number of shares	Ownership Interest
CC Orange Invest ApS, Copenhagen, Denmark	A-shares	15.262.396	81,41%
Adveq Europe Co-Investors L.P. Edinburgh, Scotland	A-shares	1.500.000	8,00%
Kinondo Invest ApS, Copenhagen, Denmark	A-shares	1.165.932	6,22%
Mobylife DM ApS, Gladsaxe, Denmark	A-shares	694.638	3,71%
Mobylife DM ApS, Gladsaxe, Denmark	B-shares	125.034	0,66%
		18.748.000	

No shares carry any special rights.

Shares owned directly or indirectly by management and the Board of Directors at December 31, 2015:	Number of shares	Ownership Interest
Vilhelm Hahn-Petersen	231.422	1,2%
Jacob Thygesen	1.165.932	6,2%
Peter Ryttergaard	67.718	0,4%
Mads Middelboe	163.934	0,9%
Other management	295.081	1,5%

Notes to the Financial Statements

17. Related party disclosures

Mobylife Holding A/S's related parties are :

- The parent companies
- The parent company's subsidiaries
- Companies in which members of the parent company's Board of Directors, Executive Management, and close members of the family of these persons exercise significant influence
- The parent company's Board of Directors, Executive Management, and close members of the family of these persons

Company	Relationship
Mobylife A/S	Subsidiary
Mobylife Ljungby AB	Subsidiary
Mobylife Holding AS	Subsidiary
Mobylife Kongsberg AS	Subsidiary
Mobylife Drammen AS	Subsidiary
Mobylife AB	Subsidiary
Mobylife OY	Subsidiary
Mobylide Helsinki OY	Subsidiary

Parent companies:

Catacap I K/S

CC Orange Invest ApS

The consolidated financial statements for CC Orange Invest ApS can be obtained at www.virk.dk

Notes to the Financial Statements

17. Related party disclosures

	Parent	
	2015	2014
	DKKk	DKKk
Transactions with subsidiaries		
Sales of goods:	-	-
Sales of services:	18.960	-
Purchase of goods:	-	-
Purchase of services:	25.846	8.847
Year-end balances with subsidiaries	**-6.886**	**8.847**
Nominal value	-	-
Non-current receivables	**-**	**-**
Nominal value	41.686	28.652
Current receivables	**41.686**	**28.652**

Purchase of services comprise assistance from staff in subsidiaries and board of directors in connection with the development projects.

The disclosure of "Key management compensation" is presented in the notes regarding "Employee benefits" – note 23.

Mobylife Holding A/S has issued a unconditional letter of support to Mobylife A/S.

Notes to the Financial Statements

18. Fees to auditors appointed at the general meeting

The Group's principal auditors perform audits for all of Mobylife Holding A/S's entitites. The Group's principal auditors received a total fee of DKKk 2,715 (2014: DKKk 952). The fee is distributed between these services:

Group	2015 DKKk	2014 DKKk
Statutory audit fee	970	669
Audit related services	52	79
Tax advisory services	23	22
Other services	1.671	182
Total fee to auditors appointed at the general meeting	**2.715**	**952**

Parrent	2015 DKKk	2014 DKKk
Statutory audit fee	175	70
Audit related services	15	42
Tax advisory services	0	-
Other services	1.658	150
Total fee to auditors appointed at the general meeting	**1.848**	**262**

Notes to the Financial Statements

19. Commitments and contingent liabilities

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

Operating lease commitments – group company as lessee

The group leases premises under non-cancellable operating lease agreements. The lease terms are between 5 and 10 years, and the majority of lease agreements are renewable at the end of the lease period at market rate.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Group		Parent	
	2015	2014	2015	2014
	DKKk	DKKk	DKKk	DKKk
No later than 1 year	7.389	5.286	-	-
Later than 1 year and no later than 5 years	8.130	10.017	-	-
Later than 5 years	-	369	-	-
Total	**15.519**	**15.672**	**-**	**-**

Finance leases

The parent company and the group have entered into finance lease contracts, primarily with respect to company cars.

Future minimum lease payments under such finance leases and the net present value are as follows:

	Group		Parent	
	2015	2014	2015	2014
	DKKk	DKKk	DKKk	DKKk
Minimum lease payments				
No later than 1 year	199	971	-	-
Later than 1 year and no later than 5 years	100	456	0	0
Later than 5 years	-	-	-	-
Total	**299**	**1.427**	**-**	**-**

Group and parent contingent liabilities

In the subsidiaries bank guarantees amounting to app. DKK 3 million has been issued.

Danske Bank has floating charges for a total of 10 million in simple claims, inventories, fixtures and goodwill

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

The Group has entered into a contract of joint and several suretyship that has been concluded between all the companies of the Group. The suretyship is entered in the Group's banker, Danske Bank, and is unlimited.

There are no further significant commitments or contingent liabilities at year end 2015.

Notes to the Financial Statements

20. Events after the reporting period

Subsequent to the balance sheet date, no events that could significantly affect the financial statements as of December 31, 2015 have occurred.

Notes to the Financial Statements

21. Adjustments for non-cash transactions

	Group		Parent	
	2015	2014	2015	2014
	DKKk	DKKk	DKKk	DKKk
Depreciation and amortisation of tangible and intangible assets	6.660	6.732	1.697	-
Financial income	-35.521	-34.278	-32.445	-33.161
Financial costs	25.453	22.898	23.604	16.590
Accrued interests vendor loan	-	-	-	-
Income tax expense	16.556	9.859	2.904	1.598
Other adjustments	1.650	2.975	-552	-4.199
Adjustments from non-cash transactions	**14.798**	**8.186**	**-4.792**	**-19.172**

22. Change in working capital

Change in inventories	2.131	1.996	-	-
Change in receivables	-21.089	-22.464	-13.811	-26.053
Change in payables	22.229	42.673	17.646	-3.348
Other adjustments	-	-	-	-
Change in working capital	**3.271**	**22.205**	**3.835**	**-29.401**

Notes to the Financial Statements

23. Employee benefit expense

	Group		Parent	
	2015	2014	2015	2014
	DKKk	DKKk	DKKk	DKKk
Wages and salaries, including restructuring costs and other termination benefits	126.978	112.981	300	250
Social security costs	14.677	6.176	-	-
Pension costs	7.520	4.414	-	-
Other post-employment benefits	7.379	638	-	-
Total employee benefit expense	**156.554**	**124.209**	**300**	**250**
Staff costs are included in the income statement as follows:				
Production costs	-	3.540	-	-
Personnel costs	122.522	120.669	300	250
Staff cost	**122.522**	**124.209**	**300**	**250**
Average number of employees	486	470	-	-
Number of employees at year end	**418**	**490**	-	-

Key Management Compensation

Key management includes Board of Directors and Executive Management. The compensation paid or payables to key management for employee services is shown below:

	2015	2014
	DKKk	DKKk
Salaries and other short-term employee benefits, Executive Management	2.100	1.374
Salaries and other short-term employee benefits, Bord of Directors	300	250
Termination benefits	-	67
Post-employment benefits	-	-
Other long-term benefits	-	-
Total	**2.400**	**1.691**

Compensation to the Board of Directors comprise of fixed fees.