Eferio Holding ApS

Flæsketorvet 68, 1., 1711 København V

Company reg. no. 38 68 88 04

Annual report

2022

The annual report was submitted and approved by the general meeting on the 28 August 2023.

J. Gransøe

Jørgen Gransøe
Chairman of the meeting

Contents

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the board of directors and the executive board have presented the annual report of Eferio Holding ApS for the financial year 2022.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2022 and of the company's results of activities in the financial year 1 January – 31 December 2022.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved at the Annual General Meeting.

Copenhagen, 25 August 2023

Executive board

J. Gransøe

Jørgen Gransøe

Richard Birger Murbeck

Board of directors

Richard Birger Murbeck
chairman

Benson Karanja Ikanyi

Robert Gathu

Olive Gachara

Kostka Parlade-Galindez

To the Shareholders of Eferio Holding ApS

Auditor's report on the Financial Statements

Qualified Opinion

We have audited the financial statements of Eferio Holding ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion" section of our report, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Qualified Opinion

The company's short-term receivables are recognized in the balance sheet at TDKK 1.001. The management has measured the receivables at nominal value. However, there is currently no accounting material, or similar from one of the debtors, which confirm the valuation of the receivable for TDKK 819 from the total receivables. The company's financial statements indicate that the company should have recognized an unrealized loss in the income statement for the year of TDKK 819. As a result, the amount recognized in the balance sheet for short-term receivables would have been reduced by the same amount per 31 December 2022. The same is applicable for the company's profit and equity.

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

Material Uncertainty Related to Going Concern

We point out that there is significant uncertainty that may raise significant doubts about the company's ability to continue its operations. We refer to note 1 in the financial statements from which it apperas it is currently uncertain whether commitments will be obtained to finance operations and the necessary investments in the coming years, but it is the management's assessment that such a commitment will be achieved, and that, as in previous years and for the period up to the time of presentation of the annual report for 2023, there will continue to be the liquidity necessary for continued operations, which is why the annual accounts have been prepared accordingly, assuming the company's continued operations.

Management's Responsibilities for the Financial Statements

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

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

Statement on Management's Review
Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

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

Violation of the Danish Bookkeeping Act

Without this having affected our conclusion, we must state that, in violation of the Danish Bookkeeping Act, the company has not ensured that there has been accurate and complete bookkeeping for use in the presentation of accounts etc., whereby the management may be held responsible for this.

Violation of the Danish Companies Act

The management has not ensured, within the deadlines set by the Danish Companies Act, that the change in information about the company's beneficial owners has been registered. The company's management may be held responsible for this.

Violation of the Danish Financial Statement Act

In violation of the Danish Financial Statement Act, the company has not prepared the annual report on time, whereby the management may be held responsible for this.

Copenhagen, 25 August 2023

Baagøe | Schou
State Authorised Public Accountants
Company reg. no. 21 14 81 48

Søren Larsen
State Authorised Public Accountant
mne10850

Company information

The company	Eferio Holding ApS Flæsketorvet 68, 1. 1711 København V	
	Company reg. no.	38 68 88 04
	Established:	30 May 2017
	Domicile:	Copenhagen
	Financial year:	1 January - 31 December
Board of directors	Richard Birger Murbeck, chairman Benson Karanja Ikanyi Robert Gathu Olive Gachara Kostka Parlade-Galindez	
Executive board	Jørgen Gransøe Richard Birger Murbeck	
Auditors	Baagøe | Schou statsautoriseret revisionsaktieselskab Fiolstræde 44, 3. th. 1171 København K	
Subsidiaries	Eferio Communications A/S, Copenhagen Socio ApS, Copenhagen	

The principal activities of the company

The purpose of Eferio Communications Holding ApS is to develop and manage telecommunication businesses with an initial focus on East Africa as well as other activities related thereto. Over the past two years, the Company has gradually shifted its focus from virtual operators towards the actual mobile network operators – and most recently towards the broader concept of digitalization of Africa where connectivity and mobile network infrastructure are important elements.

Uncertainties about recognition or measurement

The company has a receivabel from group enterprise on TDKK 3.505. The recognition and measurement of the receivabel is depended on circumstances from the company's subsidiary entered into an external agreement for a purchase agreement.

The subsidiary has not complied with the payment conditions in the concluded agreement, whereby the amount recognized in the company's annual report is subject to uncertainty.

It is the management's expectation that the agreement will be implemented by the subsidiary, and the seller is informed of the missing prerequisites in connection with the subsidiary challenges in obtaining financing for the purchase agreement.

Furthermore, the company has a receivable TDKK 944 included in the accounting item other receivables, where there currently is no accounting material, or similar from the debtor, which confirm the valuation of the receivable, which is thus fraught with uncertainty. However, the company's management has such knowledge of the debtor and the debtor's activities, including ongoing projects, that this is the basis for the recognition of the receivable at nominal value.

Development in activities and financial matters

The gross loss for the year totals DKK -1.024.834. Income or loss from ordinary activities after tax totals DKK -2.572.689. During the financial year, the Company has not realized any sales and has instead financed its operations and development via convertible loans and other short-term financing. Management considers the result for the financial year to be as expected.

2022 was indeed a transforming year for the Company. Along with our shift in focus towards digitalization, we continued to develop business opportunities mainly in Kenya and other markets in East Africa, and our local team worked intensely to adapt projects and investments to the local market and its unique challenges.

Events occurring after the end of the financial year

After the end of the financial year, the Company has developed a plan to establish itself as a leading investor within digitalization of Africa. As a significant step forward, we have entered an agreement for a large capital injection. This has allowed us to prepare two technology investments to be completed during the autumn of 2023. Also, we have prepared to acquire majority ownership of several mobile network operators in East Africa via our wholly owned subsidiary Eferio Communications A/S.

With these investments successfully completed, we have paved the road to establishing a large investment fund during the next 12 to 18 months. This will enable us to fulfill both short-term and long-term objectives, and when fully implemented it will bring us into a situation where we will earn significant financial income on an ongoing basis many years into the future.

The Company continues to work intensively to secure short-term financial resources. Activities are ongoing with a view to establish the financial basis for continued operations and development until the end of 2023 and indeed well into 2024. It is management's expectation that these activities will lead to a positive result, but at present the full funding has not been achieved.

Income statement 1 January - 31 December

Amounts concerning 2022: DKK.
Amounts concerning 2021: DKK thousand.

Note		2022	2021
	Gross profit	**-1.024.834**	**-699**
	Depreciation and impairment of non-current assets	-1.082.490	0
	Other financial income from group enterprises	69.366	35
	Other financial income	28.081	23
	Impairment of financial assets	-301.647	-83
	Other financial costs	-261.165	-162
	Pre-tax net profit or loss	**-2.572.689**	**-886**
3	Tax on net profit or loss for the year	0	0
	Net profit or loss for the year	**-2.572.689**	**-886**
	Proposed distribution of net profit:		
	Transferred to other statutory reserves	-782.867	469
	Allocated from retained earnings	-1.789.822	-1.355
	Total allocations and transfers	**-2.572.689**	**-886**

Balance sheet at 31 December

Amounts concerning 2022: DKK.
Amounts concerning 2021: DKK thousand.

Note	Assets	2022	2021
	Non-current assets		
	Completed development projects, including patents and similar rights arising from development projects	4.329.960	0
	Development projects in progress and prepayments for intangible assets	995.780	6.329
	Total intangible assets	5.325.740	6.329
	Investments in group enterprises	617.943	179
	Investment in participating interest	37.866	38
	Total investments	655.809	217
	Total non-current assets	**5.981.549**	**6.546**
	Current assets		
	Receivables from group enterprises	3.504.994	2.639
	Other receivables	1.001.315	845
	Total receivables	4.506.309	3.484
	Cash on hand and demand deposits	1.365.914	27
	Total current assets	**5.872.223**	**3.511**
	Total assets	**11.853.772**	**10.057**

Balance sheet at 31 December

Amounts concerning 2022: DKK.
Amounts concerning 2021: DKK thousand.

Note	Equity and liabilities	2022	2021
	Equity		
	Contributed capital	152.627	153
	Other statutory reserves	4.154.077	4.937
	Retained earnings	-1.393.006	397
	Total equity	**2.913.698**	**5.487**
	Liabilities other than provisions		
	Payables to subsidiaries	1.383.049	0
	Payables to shareholders and management	2.461.503	2.333
	Total long term liabilities other than provisions	3.844.552	2.333
	Trade payables	344.001	156
	Other payables	4.751.521	2.081
	Total short term liabilities other than provisions	5.095.522	2.237
	Total liabilities other than provisions	**8.940.074**	**4.570**
	Total equity and liabilities	**11.853.772**	**10.057**

1 **Uncertainties concerning the enterprise's ability to continue as a going concern**
2 **Uncertainties concerning recognition and measurement**
4 **Charges and security**
5 **Contingencies**

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Other statutory reserves	Retained earnings	Total
Equity 1 January 2022	152.627	4.936.944	396.816	5.486.387
Retained earnings	0	-782.867	-1.789.822	-2.572.689
	152.627	**4.154.077**	**-1.393.006**	**2.913.698**

Notes

Amounts concerning 2022: DKK.
Amounts concerning 2021: DKK thousand.

1. Uncertainties concerning the enterprise's ability to continue as a going concern

We point out that there is significant uncertainty that may raise significant doubts about the company's ability to continue its operations. It is currently uncertain whether commitments will be obtained to finance operations and the necessary investments in the coming years, but it is the management's assessment that such a commitment will be achieved, and that, as in previous years and for the period up to the time of presentation of the annual report for 2023, there will continue to be the liquidity necessary for continued operations, which is why the annual accounts have been prepared accordingly, assuming the company's continued operations.

The company has entered into a loan agreement of USD 10 million, which has not yet been effected. The loan will ensure the company's future operations. However, the loan has not yet been received.

The company has not complied with short term loan agreements from shareholders. The executive board is in positive dialogue with the lenders and expects the lenders to extend the time horizon for repayment of the loans.

The company has also received a letter of resignation on a debt of TDKK 2.461 from one of the shareholders.

2. Uncertainties concerning recognition and measurement

The company has a receivabel from group enterprise on TDKK 4.205. The recognition and measurement of the receivabel is depended on circumstances from the company's subsidiary entered into an external agreement for a purchase agreement.

The subsidiary has not complied with the payment conditions in the concluded agreement, whereby the amount recognized in the company's annual report is subject to uncertainty.

It is the management's expectation that the agreement will be implemented by the subsidiary, and the seller is informed of the missing prerequisites in connection with the subsidiary challenges in obtaining financing for the purchase agreement.

Notes

Amounts concerning 2022: DKK.
Amounts concerning 2021: DKK thousand.

	2022	2021
3. Tax on net profit or loss for the year		
Tax on net profit or loss for the year	0	0
	0	**0**

4. Charges and security

The company is not liable for charges or security.

5. Contingencies

Contingent assets

The company has an unutilized tax asset of TDKK 602, which in the annual report is recognized at DKK 0.

Contingent liabilities

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.

The annual report for Eferio Holding ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross loss

Gross loss comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from investments in subsidiaries

Dividend from investments in subsidiaries is recognised in the financial year in which the dividend is declared.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable by the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs comprise salaries, wages, and amortisation directly attributable to development activities.

Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. It is, however, a condition that the cost can be reliably calculated and that a sufficiently high degree of certainty indicates that future earnings will cover the costs of production, sales, and administration. Other development costs are recognised in the income statement concurrently with their realisation.

Development costs recognised in the statement of financial position are measured at cost less accrued amortisations and writedowns for impairment.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in subsidiaries are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investments

Investments in subsidiaries

Investments in subsidiaries arerecognised and measured at cost. If the recoverable amount is lower than the cost price, it shall be written down for impairment to this lower value.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired.If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Income tax and deferred tax

As administration company, Eferio Holding ApS is liable to the tax authorities for the subsidiaries' corporate income taxes.

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Tax receivables from group enterprises" or "Income tax payable to group enterprises"

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.