



B a a g ø e | S c h o u
statsautoriseret revisionsaktieselskab

Eferio Holding ApS
Flæsketorvet 68, 1., 1711 København V

Company reg. no. 38 68 88 04

Annual report

2023

The annual report was submitted and approved by the general meeting on the 1 September 2024.

J. Gransøe

Jørgen Gransøe
Chairman of the meeting



Contents

	<u>Page</u>
Reports	
Management's statement	1
Independent auditor's report	2
Management's review	
Company information	6
Management's review	7
Financial statements 1 January - 31 December 2023	
Income statement	8
Balance sheet	9
Statement of changes in equity	11
Notes	12
Accounting policies	13

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 2023.

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 2023 and of the company's results of activities in the financial year 1 January – 31 December 2023.

At the general meeting held on 1 September 2024, a decision will be made not to have the financial statements audited as from 2024 onwards. The board of directors and the executive board consider the conditions for audit exemption to be met.

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, 1 September 2024

Executive board


Jørgen Gransøe

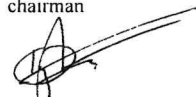

Richard Birger Murbeck

Board of directors


Richard Birger Murbeck
chairman


Kostka Parlade-Galindez


Robert Gathu


Olive Gachara



Independent auditor's report

To the Shareholders of Eferio Holding ApS

Auditor's report on the Financial Statements

Adverse Opinion

We have audited the financial statements of Eferio Holding ApS for the financial year 1 January - 31 December 2023, 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, because of the significance of the matter discussed in the “Basis for Adverse Opinion” section of our report, the financial statements do not give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Adverse conclusion

We disagree with management's assessment of the company's development projects, which are recognized as assets in the balance sheet at a value of TDKK 4.004. The company has not yet generated any revenue from these projects, and the sales process in previous years has ended without results. Based on this, it is our opinion that the assets should be written down to TDKK 0. Therefore we have modified our opinion in that matter.

The company has overdue debt amounting to TDKK 5.658. Management is working to obtain a deferral for the payment, but they have not yet succeeded in reaching a comprehensive agreement. The company has no liquidity and is thus dependent on the current creditors granting deferrals or injecting additional capital. Therefore we have modified our opinion regarding the preparation of the financial statements on the assumption of going concern.

We recommend that the general meeting does not approve the financial statements.

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.



Independent auditor's report

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.



Independent auditor's report

- 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 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.



Independent auditor's report

Copenhagen, 1 September 2024

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
Kostka Parlade-Galindez
Robert Gathu
Olive Gachara

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



Management's review

Description of key activities of the company

The Company's main objective has gradually shifted from developing and managing telecommunication businesses to investing in digitalization projects in East Africa. Over the past two years, the Company has moved away from virtual operators and mobile network operators, instead embracing a broader strategy that prioritizes connectivity and digital infrastructure as key drivers of Africa's digital transformation.

Development in activities and financial matters

The gross loss for the year totals DKK -630.994. Income or loss from ordinary activities after tax totals DKK -6.988.447. During the financial year, the Company has not realized any sales and has continued to finance its operations and development through short-term financing. Management considers the financial result for the year to be in line with expectations given the circumstances.

2023 has been another year of transformation for the Company. In line with our gradual shift towards digitalization, we have continued to explore business opportunities primarily in Kenya and other markets in East Africa. Our local team has been actively engaged in adapting projects and investments to suit the local markets and their unique challenges.

The Company's signed investment agreement of USD 10 million, initially anticipated for 2023, has not yet materialized and remains pending in 2024. This delay is due to the investor needing to restructure their own business, which has prevented them from executing their planned investments. As a result, the Company has had to adjust its financial planning.

Events occurring after the end of the financial year

While the Company continues to actively pursue short-term financing to sustain operations and development through the end of 2024, it is important to note that full funding has not yet been received. Management remains optimistic that ongoing efforts will result in a positive result as it has in past years.

Looking ahead to the near future, we focus on preparing and executing a merger of Eferio Holding ApS, Eferio Communications A/S, and Socio ApS, scheduled for 2024. This merger will consolidate all our assets and facilitate the sale of the telecommunications business as one entity, with a view to settling all outstanding debts and distributing remaining funds among shareholders. The recent signing of a term sheet for the sale of our telecommunications business – with execution planned for October 2024 – marks a significant step in this direction.

In 2024, we have been refining our strategy to establish ourselves as a leading investor in the digitalization of Africa. We intend to launch a new operational entity focused on raising and managing a private equity fund dedicated to investing in digitalization projects in East Africa. This aligns with our long-term vision of enhancing connectivity and digital infrastructure across the continent.



Income statement 1 January - 31 December

Amounts concerning 2023: DKK.

Amounts concerning 2022: DKK thousand.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Gross profit	-630.994	-1.026
Amortisation and impairment of intangible assets	-1.281.646	-1.082
Profit before net financials	-1.912.640	-2.108
Income from investments in subsidiaries	-3.570.934	0
Other financial income from group enterprises	70.040	69
Other financial income	32.906	28
Impairment of financial assets	-522.272	-302
2 Other financial costs	-1.085.547	-260
Pre-tax net profit or loss	-6.988.447	-2.573
Tax on net profit or loss for the year	0	0
Net profit or loss for the year	-6.988.447	-2.573
Proposed distribution of net profit:		
Transferred to other statutory reserves	-999.683	-783
Allocated from retained earnings	-5.988.764	-1.790
Total allocations and transfers	-6.988.447	-2.573



Balance sheet at 31 December

Amounts concerning 2023: DKK.

Amounts concerning 2022: DKK thousand.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Assets		
Non-current assets		
Completed development projects, including patents and similar rights arising from development projects	4.044.095	4.330
Development projects in progress and prepayments for intangible assets	0	996
Total intangible assets	<u>4.044.095</u>	<u>5.326</u>
Investments in group enterprises	125.964	618
Investment in participating interest	7.573	38
Total investments	<u>133.537</u>	<u>656</u>
Total non-current assets	<u>4.177.632</u>	<u>5.982</u>
Current assets		
Receivables from group enterprises	0	3.505
Other receivables	351.101	1.002
Total receivables	<u>351.101</u>	<u>4.507</u>
Cash on hand and demand deposits	0	1.366
Total current assets	<u>351.101</u>	<u>5.873</u>
Total assets	<u>4.528.733</u>	<u>11.855</u>



Balance sheet at 31 December

Amounts concerning 2023: DKK.

Amounts concerning 2022: DKK thousand.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Equity and liabilities		
Equity		
Contributed capital	152.627	153
Other statutory reserves	3.154.394	4.154
Retained earnings	-7.381.770	-1.393
Total equity	-4.074.749	2.914
Liabilities other than provisions		
Payables to subsidiaries	370.458	1.383
Payables to shareholders and management	2.549.979	2.462
Total long term liabilities other than provisions	2.920.437	3.845
Bank loans	172	0
Trade payables	386.285	344
Other payables	5.296.588	4.752
Total short term liabilities other than provisions	5.683.045	5.096
Total liabilities other than provisions	8.603.482	8.941
Total equity and liabilities	4.528.733	11.855

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

3 Contingencies



Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Other statutory reserves</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2023	152.627	4.154.077	-1.393.006	2.913.698
Retained earnings	0	-999.683	-5.988.764	-6.988.447
	152.627	3.154.394	-7.381.770	-4.074.749



Notes

Amounts concerning 2023: DKK.

Amounts concerning 2022: DKK thousand.

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

The company's liquidity is under pressure, and it is currently not possible to settle the outstanding debt. Management is working on a comprehensive arrangement with creditors to obtain a deferral, but so far, the negotiations have not yielded any results. Management expects that the current creditors will be willing to grant a deferral, but there is, of course, significant uncertainty associated with this.

2. Other financial costs

Financial costs, group enterprises	9.316	0
Other financial costs	1.076.231	260
	<u>1.085.547</u>	<u>260</u>

3. Contingencies

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.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

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



Accounting policies

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.



Accounting policies

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.

If the dividend received exceeds the proportionate share of the year's result, this is considered an indication of impairment, which entails a requirement to prepare an impairment test.

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.



Accounting policies

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 are recognised 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.



Accounting policies

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.



Accounting policies

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.