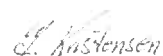


BlueTown ApS
Central Business Registration No
30075277
Per Henrik Lings Allé 4, 3.
DK-2100 Copenhagen

Annual report 2014/15

The Annual General Meeting adopted the annual report on 26.02.2016

Chairman of the General Meeting



Name: Johnny Kristensen

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Entity details

Entity

BlueTown ApS

Per Henrik Lings Allé 4, 3.

DK-2100 Copenhagen

Central Business Registration No: 30075277

Founded: 29.11.2006

Registered in: Copenhagen

Financial year: 01.10.2014 - 30.09.2015

Board of Directors

Johnny Kristensen, Chairman

Brian Bisgaard Petersen

Morten Balsby

Egon Bruun

Ali Abdul Mufuruki

Executive Board

Brian Bisgaard Petersen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

Postboks 1600

0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of BlueTown ApS for the financial year 01.10.2014 - 30.09.2015.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.09.2015 and of the results of its operations for the financial year 01.10.2014 - 30.09.2015.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

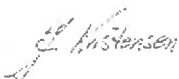
Copenhagen, 26.02.2016

Executive Board



Brian Bisgaard Petersen

Board of Directors



Johnny Kristensen
Chairman



Brian Bisgaard Petersen

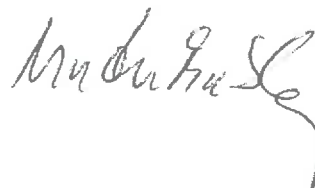


Morten Balsby



Egon Bruun

Ali Abdul Mufuruki



Independent auditor's reports

To the owner of BlueTown ApS

Report on the financial statements

We have audited the financial statements of BlueTown ApS for the financial year 01.10.2014 - 30.09.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility 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.

Auditor's responsibility

Our responsibility is to express an opinion on the 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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of 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 Entity'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 the overall presentation of the financial statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 30.09.2015 and of the results of its operations for the financial year 01.10.2014 - 30.09.2015 in accordance with the Danish Financial Statements Act.

Independent auditor's reports

Emphasis of matter affecting the financial statements

Without qualifying our opinion, we have considered the adequacy of the disclosures made in the management commentary and Note 1 concerning the Company's ability to continue as a going concern considering that for the year ended 30 September 2015, the Company has realised a pre-tax loss of DKK 20.4 million and a negative Equity of DKK 13.1 million. Future operations of the Company will be dependent on new considerable capital being contributed to the Company in 2016. Management has accounted for the Company's activities in progress and ongoing negotiations with the aim of raising considerable capital from new investors. Management expects that the Company will obtain the necessary financing as the need arises in 2016. As stated in the management commentary and Note 1, Management has concluded that it is appropriate to prepare the annual report assuming that the Company is a going concern. Based on the audit performed we concur with this conclusion.

Statement on the management commentary

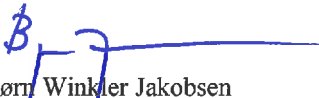
Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.


On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Copenhagen, 26.02.2016

Deloitte

Statsautoriseret Revisionspartnerselskab


Bjørn Winkler Jakobsen
State Authorised Public Accountant


Henrik Hartmann Olesen
State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

Primary activities

The Company's primary activities comprise offering communication and internet solutions. The Company has developed an end-to-end communication platform which provides internet based services specifically designed for the needs and conditions in rural areas of the world. The platform is powered by solar cells.

Development in activities and finances

The Company realised a loss of DKK 20.4 million which was as expected by the Management and in line with the expectations for the year.

The Company has proven the developed technology true and has launched pilot projects in different countries in which systems and platforms have been installed.

The Company has executed several pilot projects with large scale partners in India and Africa and Management expects increased global activities and first commercial business results in 2015/16. The Company expects to increase revenue in 2015/2016, based on new contracts with large scale customers. A number of contracts have been signed and are expected to be installed and completed in 2016. The increase in activities will also increase the need for external financing to cover investments in assets and inventory.

The Company's future depends on whether the Company is able to increase revenue, raise the capital necessary for the further development of software, platform and solutions and marketing of its products.

Management expects that the necessary financing for future activities, including completion of development projects and marketing, will be raised in line with capital requirements. Activities are in progress by raising new capital. These activities are based on specific ongoing negotiations with significant institutional investors and enterprises as well as a broad circle of private investors. It is management's assessment, that in 2016, it is probable that a new agreement will be entered into with new investors of significance. On this basis, Management has concluded that it is appropriate to prepare the annual report based on going concern.

Management expects an increase of activities in 2015/16 and an increase of the operating loss due to increasing employee costs and investments in future activities.

Uncertainty relating to recognition and measurement

The Company has unrecognised assets in terms of software and solutions developed. In 2014/15, the Company expensed all development costs, and they were not disclosed as assets in the balance sheet. The Company expects software and product solutions to contribute significantly to future profits.

Management commentary

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied for these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Revenue

Revenue is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Accounting policies

Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Accounting policies

The Entity is jointly taxed with all Danish companies within the group. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
--	-----------

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Income statement for 2014/15

	<u>Notes</u>	<u>2014/15 DKK</u>	<u>2013/14 DKK</u>
Revenue		83.827	0
Cost of sales		(2.406.154)	(117.748)
Other external expenses		<u>(9.829.474)</u>	<u>(2.660.357)</u>
Gross profit/loss		(12.151.801)	(2.778.105)
Staff costs	2	(8.727.835)	(1.289.389)
Depreciation, amortisation and impairment losses	3	<u>(19.376)</u>	<u>(12.500)</u>
Operating profit/loss		(20.899.012)	(4.079.994)
Income from investments in group enterprises		0	(68.324)
Other financial income	4	572	253
Other financial expenses	5	<u>(65.230)</u>	<u>(8.889)</u>
Profit/loss from ordinary activities before tax		(20.963.670)	(4.156.954)
Tax on profit/loss from ordinary activities	6	<u>516.863</u>	<u>490.470</u>
Profit/loss for the year		<u>(20.446.807)</u>	<u>(3.666.484)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(20.446.807)</u>	<u>(3.666.484)</u>
		(20.446.807)	(3.666.484)

Balance sheet at 30.09.2015

	<u>Notes</u>	<u>2014/15 DKK</u>	<u>2013/14 DKK</u>
Acquired rights		100.000	112.500
Intangible assets	7	<u>100.000</u>	<u>112.500</u>
Other fixtures and fittings, tools and equipment		323.174	0
Property, plant and equipment	8	<u>323.174</u>	<u>0</u>
Deposits		456.786	56.245
Fixed asset investments	9	<u>456.786</u>	<u>56.245</u>
Fixed assets		<u>879.960</u>	<u>168.745</u>
Trade receivables		83.827	0
Receivables from associates		283.772	0
Other short-term receivables		598.010	222.872
Receivables		<u>965.609</u>	<u>222.872</u>
Cash		<u>90.629</u>	<u>1.569.516</u>
Current assets		<u>1.056.238</u>	<u>1.792.388</u>
Assets		<u><u>1.936.198</u></u>	<u><u>1.961.133</u></u>

Balance sheet at 30.09.2015

	<u>Notes</u>	<u>2014/15 DKK</u>	<u>2013/14 DKK</u>
Contributed capital	10	181.733	165.292
Share premium		17.276.072	10.499.533
Retained earnings		<u>(30.594.982)</u>	<u>(10.148.175)</u>
Equity		<u>(13.137.177)</u>	<u>516.650</u>
Convertible, profit-yielding or dividend-yielding debt instruments	11	<u>3.855.000</u>	<u>605.000</u>
Non-current liabilities other than provisions		<u>3.855.000</u>	<u>605.000</u>
Convertible, profit-yielding or dividend-yielding debt instruments	12	4.410.000	0
Trade payables		4.555.227	319.848
Debt to group enterprises		561.800	269.300
Other payables		<u>1.691.348</u>	<u>250.335</u>
Current liabilities other than provisions		<u>11.218.375</u>	<u>839.483</u>
Liabilities other than provisions		<u>15.073.375</u>	<u>1.444.483</u>
Equity and liabilities		<u>1.936.198</u>	<u>1.961.133</u>
Going concern	1		
Contingent liabilities	13		
Related parties with control	14		

Statement of changes in equity for 2014/15

	Contributed capital DKK	Share pre- mium DKK	Retained earnings DKK	Total DKK
Equity beginning of year	165.292	10.499.533	(10.148.175)	516.650
Increase of capital	16.441	6.776.539	0	6.792.980
Profit/loss for the year	<u>0</u>	<u>0</u>	<u>(20.446.807)</u>	<u>(20.446.807)</u>
Equity end of year	<u>181.733</u>	<u>17.276.072</u>	<u>(30.594.982)</u>	<u>(13.137.177)</u>

Notes

1. Going concern

The Company's future depends on whether the Company is able to increase revenue, raise the capital necessary for the further development and marketing of its software, platform and products.

The Company expects an increase in revenue in 2016, based on new contracts with large scale customers. The increase in revenue and activities will increase the need for external financing in 2016.

Management expects that the necessary financing for future activities, including completion of development projects and marketing, will be raised in line with capital requirements. Additional financing necessary is expected from current investors, institutional investors and major contracts with customers having an interest in developing rural areas. Activities are in progress by raising new capital. These activities are based on specific ongoing negotiations with significant institutional investors and enterprises as well as a broad circle of private investors. It is management's assessment, that in 2016, it is probable that a new agreement will be entered into with new investors of significance.

On this basis Management has concluded that it is appropriate to prepare the annual report based on going concern.

	<u>2014/15</u> DKK	<u>2013/14</u> DKK
2. Staff costs		
Wages and salaries	8.508.834	1.216.983
Pension costs	0	28.435
Other social security costs	68.908	9.180
Other staff costs	<u>150.093</u>	<u>34.791</u>
	<u>8.727.835</u>	<u>1.289.389</u>
	<u>2014/15</u> DKK	<u>2013/14</u> DKK
3. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	12.500	12.500
Depreciation of property, plant and equipment	<u>6.876</u>	<u>0</u>
	<u>19.376</u>	<u>12.500</u>
	<u>2014/15</u> DKK	<u>2013/14</u> DKK
4. Other financial income		
Interest income	<u>572</u>	<u>253</u>
	<u>572</u>	<u>253</u>

Notes

	<u>2014/15</u> <u>DKK</u>	<u>2013/14</u> <u>DKK</u>
5. Other financial expenses		
Interest expenses	65.230	8.889
	<u>65.230</u>	<u>8.889</u>
	<u>2014/15</u> <u>DKK</u>	<u>2013/14</u> <u>DKK</u>
6. Tax on ordinary profit/loss for the year		
Current tax	0	(490.470)
Adjustment relating to previous years	(516.863)	0
	<u>(516.863)</u>	<u>(490.470)</u>

Tax income comprises tax credit income received in accordance with the Danish Tax Assessment Act (Ligningsloven) section 8 X for the income year 2014. Tax credit for the income year 2015 will be recognised when received.

	<u>Acquired</u> <u>rights</u> <u>DKK</u>
7. Intangible assets	
Cost beginning of year	125.000
Cost end of year	<u>125.000</u>
Amortisation and impairment losses beginning of year	(12.500)
Amortisation for the year	(12.500)
Amortisation and impairment losses end of year	<u>(25.000)</u>
Carrying amount end of year	<u>100.000</u>

Notes

					Other fixtures and fittings, tools and equipment DKK
8. Property, plant and equipment					
Additions					<u>330.050</u>
Cost end of year					<u>330.050</u>
Depreciation for the year					<u>(6.876)</u>
Depreciation and impairment losses end of the year					<u>(6.876)</u>
Carrying amount end of year					<u>323.174</u>
					Deposits DKK
9. Fixed asset investments					
Cost beginning of year					56.245
Additions					456.786
Disposals					<u>(56.245)</u>
Cost end of year					<u>456.786</u>
Carrying amount end of year					<u>456.786</u>
					Nominal value DKK
10. Contributed capital					
Shares					
		<u>Number</u>		<u>Par value DKK</u>	<u>Nominal value DKK</u>
		181.733		1,00	181.733
		<u>181.733</u>			<u>181.733</u>
	<u>2014/15 DKK</u>	<u>2013/14 DKK</u>	<u>2012/13 DKK</u>	<u>2011/12 DKK</u>	<u>20010/11 DKK</u>
Changes in contributed capital					
Contributed capital beginning of year	165.292	153.840	150.500	150.500	125.000
Increase of capital	<u>16.441</u>	<u>11.452</u>	<u>3.340</u>	<u>0</u>	<u>25.500</u>
Contributed capital end of year	<u>181.733</u>	<u>165.292</u>	<u>153.840</u>	<u>150.500</u>	<u>150.500</u>

Notes

11. Convertible, profit-yielding or dividend-yielding long-term debt instruments

The loans are granted by investors subject to future completion of equity investment in the Company. Long-term debt does not accrue interest. The date for repayment is not set.

12. Convertible, profit-yielding or dividend-yielding short-term debt instruments

The loan is from a venture investor in connection with and subject to the completion of equity investments made by the venture investor. The loan will be converted into equity according to the current shareholder agreement when all tranches and milestones have been completed.

13. Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which Holdingselskabet af 30/01 1978 ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013/14 for income taxes etc for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

The Company has a suspensive conditional obligation towards Management of DKK 5,055k, if certain milestones are met.

14. Related parties with control

Blue Town Holding ApS holds more than 50% of the voting share capital and thus has control over the Company.