

WIRELESS TECHNOLOGIES
Naamloze Vennootschap
Koning Albert II laan 27
1030 Schaarbeek
(the “Company”)

Company n°: 0464.030.479 (Brussels Legal entities Register)
VAT-nummer: BE 464.030.479

ANNUAL REPORT FOR THE ACCOUNTING PERIOD ENDED 30 SEPTEMBER 2016

Dear shareholder,

On 20 October 2016, an Extraordinary Shareholders’ Meeting of the Company was held during which you approved the operation whereby Proximus SA, as the acquiring company, acquired Wireless Technologies SA, as acquired company, through a transaction equivalent to a merger by acquisition (in accordance with Article 676, 1° of the Belgian Companies Code). This transaction was done in accordance with Article 719 and following of the Belgian Companies Code.

Since the transaction was executed without retroactive effect, for accounting purposes, adjacent to the fiscal year ending 31 December 2015, these annual accounts for the period starting 1 January 2016 up until the date on which the operations of the Company are considered to be carried out for the account of Proximus SA (1 October 2016) must be drafted. In accordance with Article 727 of the Belgian Companies Code, these annual accounts have to be submitted for approval to the Shareholders’ Meeting of Proximus SA (including the decision to grant discharge to the Directors of the Company).

Considering the above, we have the pleasure of reporting on our management of the Company and submitting, for your approval, the annual accounts for the accounting period as per 30 September 2016.

Both this annual report and the annual accounts are put at your disposal.

1. THE DEVELOPMENT, THE RESULTS AND THE RISKS OF THE COMPANY

1.1. Comments on the annual accounts as per 30 september 2016

The Company closed the accounting year ended on 30 September 2016 with a loss of: € <5.690.020,08>.

The above mentioned loss can be detailed as follows:

Operating revenues for the year ended 30 September 2016 amounted to € 19,448,565.88, which amounted to € 40,775,373.04 for the year ended 31 December 2015. These revenues include non-recurring operating income. These amount to € 893,266.51 for the year ended 30 September 2016, which amounted to € 200,000.00 for the year ended 31 December 2015.

Operating expenses for the year ended 30 September 2016 amounted to € 25,063,045.92, which amounted to € 51,528,155.90 for the year ended 31 December 2015.

These operating expenses include non-recurring operating expenses. These amount to € 2,052,660.77 for the year ended 30 September 2016, which amounted to € 4,556,925.92 for the year ended 31 December 2015.

As a conclusion, the **operating loss** for the accounting period ended 30 September 2016 amounts to € <5,614,480.04>.

Identical to the previous accounting period ended 31 December 2015, the **financial income** for the accounting period ended 30 September 2016 were € 0 (zero).

The **financial charges** for the accounting period ended 30 September 2016 amounted to € 67,992.70, compared to € 307,460.63 for the accounting period closed per 31 December 2015.

Therefore, the **loss before taxes for the period** ended 30 September 2016 amounted to € <5,682,472.74>.

The **income taxes on the result** of the accounting period ended 30 September 2016 are € 7,547.34.

The Board of Directors concludes that **the loss available for appropriation** for the accounting period ended 30 September 2016 equals €<5,690,020.08> .

1.2. Most important risks and uncertainties

The Board of Directors concluded that the most important risks and uncertainties the Company faced during the accounting period ended 30 September 2016 were:

- (i) The maturity of the mobile phone (GSM) market combined with the increase of the operational expenses (e.g. headcount costs) ;
- (ii) The fierce competition in the sector and the relating pressure on the margins.

2. APPROPRIATION OF THE RESULT

The Board of Directors proposes to appropriate the result of the accounting period ended 30 September 2016 as follows:

- Loss of the accounting period ended 30 September 2016	<5,690,020.08> EUR
- Losses carried forward previous years:	<11,069,987.83> EUR

Loss to be carried forward :	<16,760,007.91> EUR
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The equity of the Company per 30 September 2016 was € 19,151,642.68 and is composed as follows:

- Capital :	35,911,650.59 EUR
- Losses carried forward:	<16,760,007.91> EUR
Equity per 30 September 2016:	19,151,642.68 EUR

3. VALUATION RULES CONSIDERED IN VIEW OF GOING CONCERN

The Board of Directors notes that Article 96, 6° of the Belgian Companies Code applies as the Balance Sheet shows a loss carried forward, and the profit and loss statements of the two previous consecutive years showed losses.

In view of the foregoing, and pursuant to Article 96, 6° of the Belgian Companies Code, the Board of Directors, believe that the valuation rules can be maintained in the assumption of continuity.

4. **IMPORTANT EVENTS THAT HAVE OCCURRED AFTER THE CLOSING OF THE ACCOUNTING PERIOD**

On 20 October 2016, the Board of Directors of Proximus SA and the Extraordinary Shareholders' Meeting of the Company approved the aforementioned transaction equivalent to a merger by acquisition. As a consequence of this transaction equivalent to a merger by acquisition, the total assets of the Company automatically transferred without any exception nor prejudice to Proximus SA.

All operations of the Company as from 1 October 2016 were deemed carried out on behalf of Proximus SA for accounting and tax purposes.

Except for the aforementioned transaction equivalent to a merger by acquisition, there are no events to report after the close of the accounting period on 30 September 2016 that are of such a nature that they could misrepresent the image of the financial statements at 30 September 2016.

5. **CIRCUMSTANCES THAT CAN SIGNIFICANTLY INFLUENCE THE DEVELOPMENT OF THE COMPANY TO THE EXTENT THAT THEY DO NOT DISADVANTAGE THE COMPANY**

The Board of Directors informs the Shareholder that no such circumstances occurred during the accounting period ended as per 30 September 2016.

6. **RESEARCH AND DEVELOPMENT ACTIVITIES.**

During the accounting period ended as per 30 September 2016, the Company did not start neither continue Research and Development activities.

7. **CAPITAL INCREASES AND ISSUE OF CONVERTIBLE BONDS**

During the accounting period ended 30 September 2016, there was no capital increase nor did the Company issue Convertible Bonds.

8. **ACQUISITION OF OWN SHARES**

The Company did not, for the whole accounting period ended 30 September 2016, acquire, directly or indirectly through third party intervention, its own shares.

9. **CONFLICTS OF INTEREST**

During the accounting period ended 30 September 2016, the Board of Directors did not take any decision relating to any matter which gave rise to a conflict of interest in accordance with Article 523 of the Belgian Companies Code.

10. **BRANCHES OUTSIDE BELGIUM**

The Company has no branches outside Belgium.

11. USE OF FINANCIAL INSTRUMENTS

In accordance with Article 96,8° of the Belgian Companies Code, the Board of Directors informs the Shareholder that no financial instrument was used by the Company during the accounting period ended per 30 September 2016, which could influence the valuation of assets, liabilities, the financial situation and the profit or loss.

12. PAYMENT OF VALUE ADDED TAX AND PAYROLL TAXES

In accordance with Article 442quarter of the Belgian Code of Income Tax (1992) and Article 93undecies of the Belgian Code on Value Added Tax, the Board of Directors informs the Shareholder that the Company has no outstanding debts regarding to these taxes and that the Company is in compliance with all relevant legal obligations.


We hereby submit for your approval the annual accounts, which give a fair, comprehensive and accurate presentation of the activities that have taken place during the financial year ended on 30 September 2016, and ask that you grant discharge for the exercise of our mandate and that of the auditor for the fiscal year ended on 30 September 2016.

Date: 23 February 2017

For the Board of Directors:



Diederik Bossuyt
Director



Eusebio Nickmans
Director